

# Can reelection incentives influence the incumbent's policy in the term limit?

Adjitongnon Denagan\*  
African School of Economics, Benin

August 18, 2018

## Abstract

This study aims to examine how reelection incentives can influence the incumbent politician in the term limit. The analysis of the study highlights two round periods which respectively are the first and second term. Theoretical and empirical results highlight two different channels and for the estimation we use the Auto-Regressive Distributed Lag (ARDL) procedure of Pesaran and Bahram (1997) and Pesaran et al. (2001) to test the long and short run association between the reelection incentives, the incumbent politician policy and the term limit. As result, theoretical work emphasizes that during the first term, the incumbent is animated with the reelection incentives by setting a policy which has directly associated with poverty programs, with the goal of being reelected for a new second term. Empirically, short-terms work reveals that during the period 2006-2011 in Benin, the majority of the voters has acquired a good life expectancy and experience of welfare. This leads to reelect the president for the new second term. It may view through the positive and statistical significant impact of gross domestic saving on GDP per capita. In other words, during the second term, the incumbent politician faces two big challenges: the term limit and the opportunity cost challenge. Following this, the incumbent has to make a choice, whether or not he has a reelection incentive. Through this, it may solve that during the second term, the incumbent reelection incentives may include corruption forms and was most useful tool that he refers, with the goal of winning election for a new term.

## 1 Introduction

### 1.1 Research Question and Motivation

Every human being has the right to question the benefits of partnership agreement with any international organization<sup>1</sup>, regions<sup>2</sup> and nations<sup>3</sup>, like Africa economic partnership agreement (EPA) with the European Union(EU) and international efforts for poverty reduction around the world, through a plethora aid, in particular for the Sub-Sahara, the South-Asia and the Latin America and Caribbean. "Inter Press Service Report"(September, 24, 2007) states that the trade agreements have not encouraged African countries to add value to their exports. Through this, many countries remain dependent on unrefined primary product trade, such as coffee and sugar. On the same way, Pascal Lamy<sup>4</sup> and Donald Kaberuka<sup>5</sup> highlight that the African countries will benefit greatly from increased trade and call for "Aid for Trade" to finance investments in infrastructure for large scale industry and trade. But, some advice as to how best that the standard of living in Africa will increase, fails to address other obstacles to development, such as low investment in education and health and pressing conflict issues (allAfrica Report, September, 24, 2007). Follows this, we question the benefits of the Paris Agreement partnership (PAP) with the Paris committee. This Paris Agreement initiative regrouped more than 190 nations in December 2015, with the goal of strengthening the global climate efforts. But only 148 nations have ratified this policy in June 2017, which has entailed completing the domestic approval procedures

\*African School of Economics, Benin; Email: adenagan@africanschoolofeconomics.com

<sup>1</sup>(OECD, ONU, IMF, World Bank, Bid, ADB, World Trade Organization...

<sup>2</sup>European Union, African Union, South-Asian, Sub-Sahara African, Latina America, low and high income nations and ..

<sup>3</sup>United States, France, China, Japan, Nigeria, Germany, Canada...

<sup>4</sup>Pascal Lamy is from World Trade Organization. At this time he is the Director-General of the World Trade Organization.

<sup>5</sup>Donald Kaberuka is from African Development Bank. At this time he is the President of the African Development Bank.

(Center for Climate and Energy Solution Report, June 2017)<sup>6</sup>. This may concern with a new challenge for a political if he wishes to be reelected for a new term. Many incumbent politicians aim to improve the life expectancy and experience of welfare for the voters during their term with the goal of being reelected. Estimates of the opportunity cost of term limit and foreign policy offers like Paris Agreement have always attracted interest and debate among policymakers and the public. But the incumbent politician (who faces a term limit) may choose the decision to review this policy strategies during a second term, whether or not he has reelection incentives.

As Knowing, since the African, Asian, Latin American and Caribbean nations have received the independence, most of their oversimplified "solution" fail to address several obstacles to development, including low investment in health, education, insurance, poverty and infant mortality reduction, employment and food security. According to Ayub Rioba<sup>7</sup> Report (August, 23, 2007), Africa has got billions of dollars in aid since 1960 but yet remains poor. The number of poor Africans have doubled<sup>8</sup>. Despite international donors and a serving political efforts, poverty has become more widespread in many low-income and less industrializing countries in the last decade. This making poverty reduction the core challenge for sustainable goals by 2030. Through this, including new challenge such as the Paris Climate Agreement, which entails including nationally determined contributions and establishing mechanisms to hold countries accountable and strengthening ambition in the years ahead (Center for Climate and Energy Solution Report, June 2017), may affect the serving political during the first and, or second five year term if possible. This may also hugely influence the decision of the incumbent in terms of efficiency and may hamper population well-being (Hallegatte et al., 2017).

However, on the one hand many countries may decide to be membership of this Paris Agreement through ratification, but regardless their poverty score and trend, and other obstacles to development, including natural hazard and pressing conflict issues, experienced by governments and citizens of poor countries in Africa, Latin America and Caribbean and South- Asia, may deny the request. According to Stephane Hallegatte et al. (2017)<sup>9</sup>, climate change causes a major obstacle in terms of eradicating extreme poverty<sup>10</sup> in lower income nations. On the other hand, many incumbents may decide their adhesion with the goal of getting the opportunity cost, in order of amassing countries wealth and being grown rich. Regarding this main exposure, many nations such as the African, South-Asian, Latin American and Caribbean have not yet accumulated the requisite skills to draw the Paris Agreement. But, regardless an individual private interests and offers that may bring this policy for the political such as electoral found financing and the Paris Agreement membership advantages, may push the incumbent living under dilemma during all the term, whether or not he has reelection incentives.

Moreover, this type of policy may confuse the incumbent politician who faces a term limit with the goal of being reelected or elected party's new membership. Following this, the incumbent politician incentives has be conditioned from his skills to corrupt the institutions and the majority of the voters. Lack of consideration for the population preferences and country problems during the incumbent politician term and, in particular the second term ( when he faces the term limit) may hamper the development of the country. It may also damage the life of expectancy and experience of welfare of the voters. As result, the number of the poor people may double in the country or in the regions (Christian Science Monitor, August, 23, 2007).

Based on all above, to ensure the success of this policy like the Paris Climate Agreement, from which the advantages in the long terms may benefit for whole world and which entails contributing of nations, if the Paris Committees do he best he can. It advises to: redefine and renegotiate the membership conditions of the Paris policy; review and adapt the planning of the Paris Agreement with the obstacles to development of the countries.<sup>11</sup>. This work may be done before training the incumbents on the relative advantages and the goals assigning by the Paris Climate Agreement Committee. This policy success entails including in the Paris Agreement committee the representatives of the low income countries and the less industrializing nations such as African, the South Asian, Latin American and Caribbean. For that, it is relevant to draw criteria that targets, reductions in emissions intensity (emissions per unit of GDP),

<sup>6</sup>The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change. The mission is to advance strong policy and action to reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.

<sup>7</sup>Ayub Rioba is a Tanzanian journalist.

<sup>8</sup>For a comprehensive information, see Christian Science Monitor Report (August, 2007).

<sup>9</sup>Stephane Hallegatte et al. are from The World Bank Group

<sup>10</sup>For a comprehensive presentation of the results, see Hallegatte et al. (2016, 2017)

<sup>11</sup>As arguments, the United States which are the one among the pools countries that emit a huge greenhouse gas emissions opt for the examination of the Paris Agreement. This may know through the president Trump report on June 1, 2017. Which retakes as follows: "President Trump said that the United States would be withdrawing from the Paris Agreement, but also indicated a willingness to renegotiate the agreement or negotiate a new one. For more information, go to (Center for Climate and Energy Solution Report, June 2017) website.

reductions from projected business-as usual emissions, and reductions in per-capita emissions. These criteria would be standard for every nations and under countries should be evaluated. This rule may be adapted if possible for the regions, the groups, the sub-groups and the affinities across-country. As research question for the study, we aim to examine " how can reelection incentives influence the serving political during the term limit? This may solve attracting interest and debate among policymakers and the public around the questions such as: Can rich western policy like the Paris Agreement, benefit for the low-income and less industrializing countries on the same way as applying for the high income nations ? What has the impact of this policy on the incumbent reelection incentives during the term (first and second term)? And finally, which criteria are relevant for countries, regions and affinity groups within continent, with the aim of reducing greenhouse gas emissions and reaching sustainable development goals by 2030?

## 1.2 Framework outlook

This part of the introduction highlights the different section of the paper. Through this, after the research question and motivation section, the remainder of the paper is organized as follows. Section 1 presents the literature review and previews findings. Section 2 presents a theoretical framework. Section 3 describes the theoretical analysis and results. Our empirical frameworks is discussed in Section 4 after this section we conclude the paper.

## 2 Literature review and preview of findings

### 2.1 Policy and the Paris Climate Agreement

Investigating the impact of rich western policy such as the economic partnership agreement (EPA) with the EU and the Paris Climate Agreement on the nations development shows that low-income countries are concerned with high economic cost to be able to out-complete policy than high income countries (World Bank, 2016). On the one hand, completing these policies entail accumulating more skills and relevant cost for the low-income than high-income nations. As arguments, the benefits of the economic partnership agreement (EPA) with the EU profit to rich western that African nations (Inter Press Service, September, 24, 2007)<sup>12</sup>. On the other hand, the impact of climate change hit less the well-being of nations with high-level income. This is due to the fact that the high income nations have built a developed health system. This implies that setting the Paris Climate Agreement does not reflect equal distribution of cost across country. According to the Word Bank, (2015) there is three major regions of global income: the North America, the Europe and the East Asia. The Sub-Saharan African region is set as a much smaller income. This means that the Sub-Saharan African nations represent less than 2 % of global income.

More importantly, the impacts of climate change were extremely more heterogeneous within nations than endogenous. As argument, Sub-Sahara has less industries and commits less greenhouse gas emissions. Sub-Saharan involves also less of international emissions trading. The nations such as United States, China and OECD are highly concerned with the greenhouse gas emissions. These nations have accumulated enough skills to prevent or avoid vulnerability and damage that may cause this greenhouse gas emissions. Lower income countries or regions such as Sub-Saharan Africa, South Asian, Latin American and Caribbean experienced less the emissions trading and prevent less natural hazard. As arguments, it shows that less than two persons out of ten have a health insurance in lower-income countries (World Bank, 2015). Through this, low-level income nations have less resources and face many obstacles to development , including low investment in technology and capacity adaptation (Stephane Hallegatte et al., 2016)<sup>13</sup>. Those nations fail to address obstacles to development, such as low investment in education and health and pressing conflict issues (allAfrica Report, September, 24, 2007). Nations also face problems of food security, disease, infant mortality and poverty.

Several approaches were developed at the World Bank around poverty and climate change policy. From this idea it shows that poverty in not static. It dynamic part may imply that the poverty reduction is not monotonic. For a comprehensive presentation of this approach, Krishna (2006) investigates the poverty dynamic in 36 communities in Andhra Pradesh, India, over 25 years. As result, she found that approximatively 12 % of non-poor households switch

<sup>12</sup>Inter Press Service Report in September, 24,2007 states that the benefits of the economic partnership agreement (EPA) with the EU, like the trade agreement, do not profit for Africa. This is due to the fact that the African countries face potential barriers as the EU increasingly hinders imports of industrialized products from outside the Union and also the African industries are unable to out-compete Asian imports.

<sup>13</sup>Through their work, they analyze the impact of climate change on poor people and on poverty. Following this, they use an approach which was behind a research programme on Poverty and climate change: natural disasters, agricultural impacts and health shocks at the World Bank

over to poor and only 2 % of poor-households switch over to non-poor. Many factors may push nations with lower-level income to the extreme and long run poverty like drought, natural hazards, limited access to social protection and asset level (Carter et al., 2007; Elbers et al., 2007 and Krishna, 2006). Those factors push pressure on low-level income nations to invest in low-risk activities. This may hamper the poverty reduction policy. Also, frequent exposure of limited access to social protection, lack of adapting capacity, lack of food, disaster risk, risky areas and extreme temperature may destabilize people life expectancy. Work by Sylvanus Ikhede (2014) shows a positive relationship between health assistance and life expectancy. This means that an increase health assistance may lead to a decrease infant mortality rates.

Finally, the economic cost of climate change is some obstacle to development that face the African, Asian and Latin American nations (the United Nation Climate Change Conference Report, Nairobi in 2006). Africa has attracted most violent conflicts due to many form of religious, ethnic, racial dominance and lack of knowledge of certain endogenous and exogenous factors. According to the United Nations report, high pace of climate change may induce scarcity of water in the country. Some pessimists predicts that an increases space of climate change may lead to lose of 25-40 % from the natural habitat in the world on the horizon 2025 (Global Policy 23 December, 2017).

## 2.2 Reelection theory

According to Claudio Ferraz and Frederico Finan (2011), electoral rules which includes political accountability plays important role through preventing corruption. As result, mayors win election in the municipalities where there is less corruption. Additional, it finds ambiguous results on the municipalities with less access to information and with lower punishment in terms of likelihood of judicial.

To conceptualize reelection incentives approach, Claudio Ferraz and Frederico Finan (2011) consider two type of period for mayors: which respectively are mayor with first term and mayor with term limit. Through this, the authors focus on corruption by assuming macro level institution as given. For authors, corruption is most frequent problem facing by mayors in developing countries like Brasilia (Rose-Ackerman 1999). As results, it shows that during a first term mayors with reelection incentives are less open to any form of corruption than mayors without reelection incentives. This means that when there is not second term, mayors in first term would behave exactly as mayors in second term.

Some theoretical works highlight that legislators reelection in democratic regimes can be affected by many endogenous and exogenous factors. In some lower income countries like some of Sub-Saharan African, South-Asian and Latin American, political reelection depend on overall governance<sup>14</sup> performance. 2016 IIAG (2006-2015) re-groups overall governance in four categories<sup>15</sup>, which as follows: safety and rule of law; participation and human rights; sustainable economic opportunity and human development. All these categories play an important role on voters decisions in competitive electoral for good democracy. Reelection incentives may also vary considerably from country poverty trend and score, and the policies targeted by political during a first term.

At the local level, most mayors in first five year term have reelection incentives and afford to hit corruption. They utilize efforts to build infrastructure and get electoral advantage. In election approach, we realize that at the local level, mayors act in first five year term to attract interest and enjoy potential voters confidence than mayors in second five year term. At sub-national level, legislators who have reelection incentives, afford to attract interest of federal funding, foreign aid and assistance from old and new donors than do second-term legislators, when the limit of mandatory is reduced at two (Besley and Anne Case, 1995; James Alt, Ethan Bueno de Mesquita, and Shanna Rose, 2009; Robert J. Barro, 1973; John Ferejohn, 1986; Jeffrey S. Banks and Rangarajan K. Sundaram, 1993). Besley and Anne Case (1995) and John A. List and Daniel M. Sturm (2006) argue that mandatory term limits can affect policies used by the legislators like environmental and fiscal policies. Finally, some authors argue that term limit approach has an impact on the incumbent quality and willingness (James Alt, Ethan Bueno de Mesquita, and Shanna Rose, 2009).

## 2.3 Term limit and incentives theory

The important role of election in good democracies might not be deniable and has most referred through many works group contribution and networks contribution. See, contributions such as Timothy and Besley (2006); Jeffrey S. Banks

<sup>14</sup>In 2016 Ibrahim Index of African Governance Report (2006-2015), governance is defied as the provision of the political, social and economic public goods and services that every citizen has the right to expect from their state, and that a state has the responsibility to deliver to its citizens.

<sup>15</sup>2016 Ibrahim Index of African Governance Report (2006-2015), regroupes overall governance in four categories and in 14 sub-categories, which as follows: rule of law; accountability; personal safety; national security, participation; rights, gender; public management; business environment; infrastructure; rural sector; welfare; education and health.

and Rangarajan K. Sundaram (1993); Persson and Tabellini (2000); John Ferejohn (1986); Robert J. Barro (1973). Term limits are an important enclosure and voucher that serve democratic system. They affect political behavior, and policy and expected government quality (James Alt, Ethan Bueno de Mesquita, and Shanna Rose, 2009; C. Ferraz and F. Finan, 2011; Besley and Anne Case, 1995; John A. List and Daniel M. Sturm, 2006). Incentives theory stands on some specific parameters and has been most utilized in social science and business affairs. Most actors utilize incentives theory to address election and reelection in terms of competition size and political size.

Some scholars argue that voters have incentives to reelect corrupt potential candidates based on their candidate's party affiliation<sup>16</sup> or ethnicity<sup>17</sup>. The voters' incentives to elect or reelect corrupt challenger that may drawn randomly from the pool of potential politicians can be based on the past experience with the population country (C. Ferraz and F. Finan, 2011<sup>18</sup> and T. Fujiwara and L. Wantchekon, 2013).

## 2.4 Poverty and development in Africa

The African continent is endowed with immense natural and human resources and has a great cultural, ecological and economic diversity, but it still remains underdeveloped. Most of African nations problems come from political corruption, civil unrest and war, military dictatorships, deep poverty and underdevelopment itself. In addition, African countries are doomed with perpetual economic slavery, underdevelopment strategies and unlimited poverty.

According to Health Poverty Action report (July, 16, 2014), the African continent records an annual net loss of US\$58.2 billion mostly flowing into the pockets of Western governments or transitional corporations (global policy, 2017). Mozambique National Peasants Union (August, 2, 2013), reported that more than 30 Mozambican civil society have taken action against privatization of land and looting of natural resources. The concentration of wealth and power in the hands of the minority and huge corruption come from the strategies of the government to launch a nationwide campaign to manage land and the country rich natural resources. "Yale Global Report "(February, 1, 2013) states that in South Africa, the disruption created by illegal labor unions in the mining sector, which is legally protected by collective bargaining agreements, have affected transport sector and agricultural sector. This report views South Africa environment as a risky investment option and may stimulate unemployment and extreme poverty in the future.

As reported in "This Is Africa"(July, 2, 2012), access to health insurance and out-of-pocket payments are not well developed in Africa. Also, the existing domestic national health insurance programs for expatriates are limited. For that, it would be better for African nations to invest more in free markets to provide universal access to health insurance through the renovation of health-care. However, UK Prime Minister David Cameron, on his tour of the African continent concluded that Africa will gain more advantage through pan-African free trade and entrepreneurship. He supported his argument by taking the case for inter-Asian free-trade and entrepreneurship that led to the successes of South Korea (Business Day report, July, 18, 2011). Still new ECA-AU report (July, 1, 2011) states that to promote African development and interaction in international markets, Africans nations governments and investors should invest more in increasing continental trade and improving regional infrastructures. Follow that the African continent should increase and develop local exchanges between nations.

Furthermore, it argues that the high economic growth experienced by African nations during the 2000s was not linked to activities and economic sectors that affect a greater portion of the poor population. This do not lead to the eradication of extreme poverty from which African states suffer (African Economic Outlook report, June, 20, 2011). However, it shows that expanding West African broadband access has little positive impact on governance, economic growth, poverty reduction and development (Foreign Policy, May 16, 2011). On December 2010, IMF heavy pressure Tunisia government to set aside any unproductive programs and to solve the problem of high inequality, civil unrest and unemployment (Global Research, December, 31, 2010). Through this, it anticipates that the World Cup in South Africa would generate high economic growth, the result was that this expected growth in local businesses, infrastructure and tourism was not sufficient to compensate for the long-term funds that have been set up for breaking even on priorities such as education and health-care (Alter Net, June, 22, 2010). Following this, in 2010 it reveal that access to education was very limited and its quality was threatened by a lack of resources and inequalities that came from poor distribution of resources. It finds that there are more than 43 million children who do have access to education on the African continent (Global Policy, December, 23, 2017).

<sup>16</sup>See the Tribunal Superior Eleitoral (TSE) data, from the 2000 and 2004 mayoral elections. These data include individual mayor characteristics such as the age, occupation, gender, education, and party affiliation.

<sup>17</sup>According to C. Ferraz and F. Finan (2011), certain voters may still be willing to vote for corrupt candidate based on ideological or ethnic preferences.

<sup>18</sup>For a comprehensive presentation of the results, see C. Ferraz and F. Finan (2011) work, title "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments ". Through their work, it finds that political institutions affect corruption levels...

Some scholars point out the true evidence that some African states in terms of policy priorities. Zimbabwe has suffered at the same time from three major problems such as bad infrastructure, malaria and speculative capital that make it vulnerable to international commodity markets. In addition, Zimbabwe focuses on fighting of speculative capital instead on reducing the cases of malaria in the country (IPS report, May, 3, 2010). In the Christian Science Monitor (2009) the author argues that Congo unleash its expected potential and make a bid for progress. Follows this the Congolese promotes long-term investments in businesses local and foreign. Note that all this is based on their own efforts.

In this sense, some pessimist argues that the African will double to 1.9 billion by 2050. This will cause huge new challenges such as urbanization, health problems, crime, smoking and the creation of new mega-cities. So, African nations should invest more in professional training and emergent markets (Guardian, 2009). Others scholars on the side of those who criticize foreign assistance from Western countries, argue that rich nations' have never made industrial investment decisions on the African continent. These western nations have just limited their assistance to humanitarian aid. Accordingly, S. Asongu and J. C. Nwachukwu (2012) reveal that aid for humanitarian assistance has negative impact on inclusive development. In addition, these assistances aid are created sources of corruption in Africa.

However, it reveals that on the Africa continent the plethora aid on inequality adjusted human development, specially aid on social and economic infrastructure, the productive sector and multi-sectors have positive effect on inclusive development (S. Asongu and J. C. Nwachukwu, 2012). NRC Handelsbad Report on August 10, 2009 highlights that some foreign assistance may help to provide one hot meal a day for more than 600,000 children in Ghana through a school feeding project. Aid may lead people to find a way out of poverty when it done the right way. The World Bank African Development Indicators 2007 show that the Africa continent has faced high indirect costs in production. It needs more money supply technology to ensure access to fair markets and financial systems.

Other optimists such as Burnside and Dollar (2000) argue that aid may promote positive effect under a certain good policy conditions. Follow this, the African continent can reduce aid dependency through promotion and increase of domestic assistance aid and funds, with promoting internal links between urban and rural economic activities and between domestic sectors themselves.

In other words, African continent also faces an institutional reforms. According to the Policy Innovation's report (October, 14, 2008), the majority of crimes related to assault and murder affecting civilians in RDC were provoked by the army and police. Follow this, it decides to implement a watchdog committee (Global Policy, 2017).

Ayub Rioba, a Tanzanian journalist affirms that the number of poor on the African continent has doubled since independence (Global Policy, December, 23, 2017). This situation can be explained by three different schools of thought. The first school (governance defender) points out the problem of quality. The second school (poverty defender), the most cited of whom is Jeffrey D. Sachs (2004), argues that the problem should be solved by increasing the amount of assistance in terms of aid. The third (the mixture) highlights that the problem may be solved if the old and new donors should redefine the way aid is administered and distributed to recipient countries on the continent. This New York Times article (August, 20, 2007) highlights China's role in Africa's development growth and shows that the introduction of Chinese finished and manufactured goods hinders Africa's ability to develop a strong industries textile. As result, cheap Chinese goods flood the African market<sup>19</sup>.

## 2.5 Poverty and development in Asia

The Asian continent provides a majority poorest people of the worlds and represents more than 50 % of the worlds population. The poorest population is concentrated in South Asia. Approximately 33 % of the people in East Asia and Pacific live below the poverty line with *US\$*1.9 a day, and about 9 % live with *US\$*1.9 a day (World Bank, 2016). Nations in Asia face an increasing urban growth challenge and a large number of urban poor. This is due to many problems:

- The population growth is fast and the existing natural resources are scarce and limited;
- A huge inequality in terms of resources distribution;
- A lack and inadequacy of existing infrastructure;
- A land ownership being problematic;
- Asian continent attracts fewer investors than western nations'.
- Fertilizers are too expensive for many farmers to use;

<sup>19</sup>For a comprehensive information, see This New York Times article (August, 20, 2007). This article also highlights that China is both benefactor and competitor in African countries. China brings assistance aid for African countries and at the same time imports unrefined primary product.

- The current world recession leads more Asia migrant workers lose jobs in the US and Europe. This may stimulate more unemployment on the continent of Asia.

Finally, extreme poverty is defined as a daily consumption of less than 1.25 per person (World Bank, 2007). But this meaning appears incomplete on the Asian Development Bank (ADB) view, which proposes to add a global economic shocks, risk of natural disasters and food insecurity (ADB, 2010).

### **Poverty and development in Latin America and Caribbean**

The Latin America is among the poorest of the poor compared to the worldwide average in terms of human needs. These needs include clothing, education, food, health insurance, jobs, nutrition, shelter, clean water and other important social amenities. The South American states include 62 % of the households that lived at starvation level and have experienced severe poverty especially for households living in rural areas. For some countries such as Ecuador, Brazil, Bolivia, Argentina, Peru and Colombia, poverty encounters a structural problems which are a directly link with the colonial period (UNRISD Report, 2010). But for the whole of the Latin America and Caribbean, the fundamental cause of poverty turns around injustice, the unequal distribution of wealth, violent and internal conflicts, higher fertility, structural adjustment policies, colonialism and politics (Shah, 2010). Around the 80s years, the Latin American nations began experiencing a political change. As result, these reforms solve to a high costs and the available social structures were unable to support, and the poor population increased. In both rural and urban states of the Latin America and Caribbean it deducts at least 240 million people living in absolute poverty. Many studies confirm that certain Latin American nations such as Chile, Uruguay, Venezuela and Panama have experienced a large unemployment and jobless during the period 1980 (Global policy Report, 2017).

An increasing pressure of the World Bank and IMF through imposing structural adjustment policies pushes Latin America and Caribbean to focus on debt repayment instead on investing in the education sector, health, infrastructure, clean water, foods, insurance and shelter. As a result, the Latin American and Caribbean nations increase their dependence on the rich Western developed nation and creates a majority poorest population with low living standards and level of poverty.

The Latin American and Caribbean nations also face a reduced value of labor, unemployment which can create a social unrest, high and increasing dependency on rich Western nations' products for consumption, difficulties on exporting tools of production and transferring competence, assets volatility which can lead to economic collapse and migrant problems. The majority of migrants going to destinations in the USA, Canada and Spain were women with low skills. However, the current poverty in the Latin America and Caribbean is also characterized by high and increasing production of illegal drugs, the drug trade, social and political instability, corruption and insecurity.

Most policies implemented by the governments, the World Bank and the IMF to reduce the drug trade in the Latin America and the Caribbean remain ineffective. As confirmed by Ana Revenga<sup>20</sup> at least 130 million in Latin America have not gotten any advantages from the regions impressive development between 2004 and 2012 (World Bank, 2017). Poverty does not only affect Latin American and Caribbean affairs but concerns entire world. To control poverty in that region it would be necessary to create local networks across nation through collaborating with international nations; increasing domestic productivity and aid; searching assistance for country environmental problems and reducing the reliance on imported goods and services through promoting the exportation of goods and services. As confirmed by Augusto of la Torre<sup>21</sup>, at least 100 million people emerged from poverty and joined the middle class between 2003 and 2013, and this is due to growth dynamics and job creation (World Bank, 2017).

## **3 Theoretical framework**

This section will present two type of model relative to the politician reelection incentives in electoral competition. Respectively, we identify a simple model from which the incumbent politician has the reelection incentives during the first term and a review model from which the incumbent politician faces a term limit with the incentive of winning the election for a new term. The simple model helps us to determine how the reelection incentives may push the incumbent politician to draw a policy which has a direct link with the poverty reduction program during the first term. This means how the reelection incentives process influence the strategy decisions of policy for the incumbent politician during the first term. There are several models in terms of electoral competition. But, our model will be based on the model

<sup>20</sup> Ana Revenga is a senior director of the Poverty and Equity Global Practice

<sup>21</sup> Augusto of la Torre is a chief economist for Latin America and the Caribbean at the World Bank

propose by the political agency framework of Besley (2006). The analysis of this model focus more on indirect case from which the decision of the voters determines whether or not a politician is reelected for the new term. In addition, the voters are unable to observe the incumbent politician strategy type actions (Claudio Ferraz and Fredeico Finan, 2011). We will include the direct case which allows the voters observing the incumbent politician strategy type action. That means that voters are able to make a decision based on the outcome of the incumbent politician policy. Through this, the voters analysis would be based on the life expectancy and experience of welfare.

The review model helps us to analyze how the reelection incentives may push the incumbent politician reviewing the strategy decisions during a second term when he faces a term limit. Following this, the incumbent politician has to make a choice during a term, whether or not, he has a reelection incentives. If the incumbent politician has animated with the reelection incentives, he may use his former strategy model for the first term, from which he won the election for the new second term. If the incumbent politician has animated with an idea for being reelected or winning the election for a new term, with high preference for the future comparing to the current serving period (today), he may assign the goal of being grown rich by accumulating the country's wealth and resources in order to corrupt the institutions and the voters.

Through this study we assume that the country involves on thriving democratic institutions but has less good governance and economic performance, like the African nations (T. Fujiwara and L. Wantchekon, 2013; World Bank 2009, 121), and we assume countries are lived in two term limits.

### 3.1 Simple model

The game begins at a top with nature or chance and follows with two types of periods and politicians, and the voters. According to the type, we have respectively first and second periods, and the incumbent and opponents politicians. We aggregate in one actor the outsiders for the electoral process that can influence the possibility whether or not an incumbent politician is reelected. Those actors can be: the Paris Agreement Committee and the traditional colonizer. But, the outsider actor is not a directly involve on the electoral competition. The game includes four stages with three players.

According to the goal of the study, the nature set an action. Which respectively are agreement the Paris Climate Agreement ( $a$ ), the game pursues and disagreement with the Paris Climate Agreement ( $na$ ), the game ends. Let denote  $\Pi$ , the proportion of the incumbent politician that draws on the pool of potential candidate. The first time of the game corresponds with the beginning first term<sup>22</sup> for the incumbent politician. In terms of the political alternation of a new elected party, the nature would reveal his type.

The second time of the game corresponds with the execution period fort the incumbent politician. During this time, the majority of the voters evaluate the life expectancy and experience of the welfare. Through this, the voters set their payoffs and decide to renew the incumbent politician by reelecting him or to select a new challenger which has drawn randomly from the pool of potential politician. The action of the period two may confirm the first one through revealing the incumbent type at the beginning by the nature. Let us assume that during the period, the incumbent politician sets policy  $(S_t, i)$ , where  $i$  equal to one, is the incumbent politician, and  $S_{1t} = \{R, NR\}$  where  $r$  and  $nr$  respectively stand for a "Ratification and Non-ratification" the Paris Climate Agreement during the period of the incumbent politician first term. Based on the decisions choice for the incumbent politician, the opponents may comment the strategy of policy in order to fail the incumbent politician reelection. To reach the goal, the opponents set strategy actions  $S_{2t} = \{A, NA\}$ , where  $A$  and  $NA$  respectively mean an "Adoption and Non-adoption" the Paris Climate Agreement during the first term. Following this, the incumbent and the opponents politicians strategy actions, the voters would decide the reelection of the incumbent politician by focusing on their life expectancy and experience of the welfare.

However, the voters will decide to live as follows, which respectively are "pro-abortionist"  $PP$ , "non-abortionist"  $PP$  and "indifferent"  $IP$  Paris Climate Agreement during a term of the incumbent politician. This leads to write  $SV_t = \{PP, NP, IP\}$ . Let us assume that  $t=1$  means first time and each branch of the decisions strategy of policy occurs with equal probability. This is known by the incumbent politician. The outcome of the game is  $(\alpha, \beta, \gamma)$  where  $\alpha$  is the payoff gaining by the incumbent,  $\beta$  is payoff gaining by the opponents given incumbent politician payoff and  $\gamma$  is payoff gaining by the voters by taking into account the incumbent politician payoff and the opponents as given, for all  $(S_1, S_2, S_3) \in S_1 * S_2 * S_3$ .

<sup>22</sup>First term corresponds to the first five year period of the incumbent politician



## Preferences

Reelection incentives form game for a new term involves with three types of players: the incumbent, opponents and voters. External actors do not directly take part on election but they exercise a high influence on incumbent politician reelection. We resume those actors as a nature. Reelection incentives game is relevant in the case of asymmetric information. At the beginning of the first round, the voters are unable to determine the type of the new incumbent politician and the type of the opponents. But, the voters convince that the incumbent politician would make a decision choice of policy. Through this, the voters will evaluate the payoffs of the policy through their life expectancy and experience of the welfare. Following the period after beginning first term and regardless reelection incentives, the incumbent anticipates the voters' decisions and immediately draws policy which has associated with poverty reduction program with the goal of being reelected for the second term. In addition, eradicate extreme poverty may be achieved through focusing on some priorities policy of the pool public agenda for poverty reduction. This includes education quality, unemployment, food security, health, insurance, infrastructures, health-care and good governance. For that, most of the least developing countries like the Sub-Saharan African, South Asian, Latin American and Caribbean nations are unable to achieve this goal of poverty reduction. For that, low income nations which faces this policy agenda including rich western nation policies like Paris Climate Agreement may not be efficient in terms of policy outcomes. It may lead to worse off population well-being and experience of welfare. However, this may lead the incumbent politician losing election. Ellman. M and Wantchekon. L (2000) show that voters have single peaked political preferences and are experienced risk neutral. In our study we assume that voters have just the right to vote. Voters decision would be based on their life expectancy and experience of welfare. It follows that, only the candidate who mobilizes the majority of voters would be reelected for the second term according to country's Constitution laws. On the study, we assume that unrest, civil war and inflation are neglected. Voters have three choices to make, which respectively are: being "pro-abortionist"; "non-abortionist" and "indifferent" to Paris Climate Agreement.

After voters' decision, the opponents evaluate the average proportion of the population that discontenting the incumbent strategy of policy and decide which one applying. They utilize building mistrust in voters' minds in order to fail the incumbent strategies decisions. For that, they decide if supporting whether or not, the adoption. Before deciding, the opponents utilize presenting the incumbent policy resume during the term by comparing past and current poverty rate, challenge and certain lack of consideration for population preference and lack of government on particular country problems.

Therefore, the incumbent's party utilizes the best strategy after both the voters and the opponents have played. He takes more time through observing the players actions before showing his best type. He decides if choosing whether or not the "ratification". Reelection incentives may push the incumbent choosing policy which is closed to the majority of the voters' preferences. The incumbent party may also face opportunity cost through certain Paris policy offers which he may profit by choosing the ratification way. This may imply that he receives pressure from the Paris Climate Agreement Committee and traditional colonizer to accept the offer with the goal of satisfying individual interests. But regardless reelection incentives and high preference for renewing term, this may push pressure on the incumbent to reject the adoption through ratifying by drawing policy which has a direct link with the poverty reduction program in order of being reelected.

## Payoffs

Let us assume "policy space" as players' preferences for specific issue. The outcome of the game is  $(\alpha, \beta, \gamma)^{23}$  for all  $(S1, S2, S3) \in S1 \times S2 \times S3$ , where  $\alpha, \beta$  and  $\gamma$  respectively are the payoffs of the incumbent politician, the opponents and the voters. Let suppose  $\gamma$ , the voters outcome gaining during the final first term of incumbent party. This belong to the side 5, 3, 1, 0<sup>24</sup> and implies different meaning. According to the voters life expectancy and experience of welfare, 5; 3; 1 and 0 mean respectively better off; better than.; status quo and worse off<sup>25</sup>. Following this, the voters evaluate their behavior by comparing the actual to the past behaviors during the first term incumbent's party.

<sup>23</sup>For a comprehensive presentation of this outcome, consider an example. In The Prince (1513), Machiavelli wrote that, as advice a prince, particularly a new prince who wishes to govern a country, should be great and powerful. In other words, he advises that the way on how best prince should rule achieves success was to acquire and maintain the power. This implies that the only way to help to be the best prince he can is to raise the support of both. In this example, the outcome mare concerned two outputs, as in case of Buttorff(2011).

<sup>24</sup>We inspire 2016 Ibrahim Index of African Governance scored, Report (2006-2015). In our case, the overall incumbent Governance bands are a simple aggregate of the category cut-off points during the term. For a comprehensive presentation, go to Mo Ibrahim Foundation website.

<sup>25</sup>We inspire 2016 Ibrahim Index of African Governance scored, Report (2006-2015). In case of 2016 IIAG, there are five groups which range from high to low performance: "High", "Medium-High", "Medium", "Medium-Low" and "Low". But, in the case of voters there are four groups.

The opponents outcome denoted by  $\beta$  is getting after the first term through taking the incumbent payoff as a given. It Follows that,  $\beta$  should belong to the side  $\{3, 1, 0\}$ <sup>26</sup>. According to the opponents election incentives, 3; 1 and 0 mean respectively: won a majority of the voters' affection; an average half of the voter's live in the status quo and an average large number of voters are worse off. The incumbent's party considers everything as given by setting his payoff. Follows this, he holds outcome  $\alpha$  in his final first term. This  $\alpha$  belongs to the side  $\{3, 1\}$ <sup>27</sup>. According to the incumbent reelection incentives for the second term, his preferences would be close to the voters' preference with the goal of winning the election. However, he restricts his side at 3 and 1, which respectively means the voters are better off and worse off.

In the first round of the game, nature reveals two types of actions, respectively "Acceptance or agreement of being part for the Paris Climate Agreement ( $a$ )" and "non-Acceptance or disagreement with being part for the Paris Climate Agreement ( $na$ )". At this step of the game, it shows that when we Accept to be part for the Paris Climate Agreement, the game goes ahead. But when we opt for an "non-Acceptance" to be part for the Paris Climate Agreement, the game ends and we got as outcome  $\alpha = 0, \beta = 3$  and  $\gamma = 1$ . According to the nature position, during the first round of the model, the value of outcome  $\{0, 3, 1\}$ <sup>28</sup> corresponds to the threat for the incumbents who refuses to collaborate with the Paris Climate Agreement Committee and *COOP21*. These values were imposed by the Paris policy Committee. These outcomes show that the incumbent party can't reelection for the second term. Even if, the voters opt for an alternative in the final second term of the incumbent, they will decide to select a new challenger who will draw randomly from the pool of potential candidates. The outcome of the game is represented by the vector of payoffs as follows:

$$\begin{pmatrix} \alpha \\ \beta \\ \gamma \end{pmatrix} \in \begin{pmatrix} \alpha_1 & \alpha_2 & \alpha_3 & \alpha_4 & \alpha_5 & \alpha_6 & \alpha_7 & \alpha_8 & \alpha_9 & \alpha_{10} \\ \beta_1 & \beta_2 & \beta_3 & \beta_4 & \beta_5 & \beta_6 & \beta_7 & \beta_8 & \beta_9 & \beta_{10} \\ \gamma_1 & \gamma_2 & \gamma_3 & \gamma_4 & \gamma_5 & \gamma_6 & \gamma_7 & \gamma_8 & \gamma_9 & \gamma_{10} \end{pmatrix} \quad (1)$$

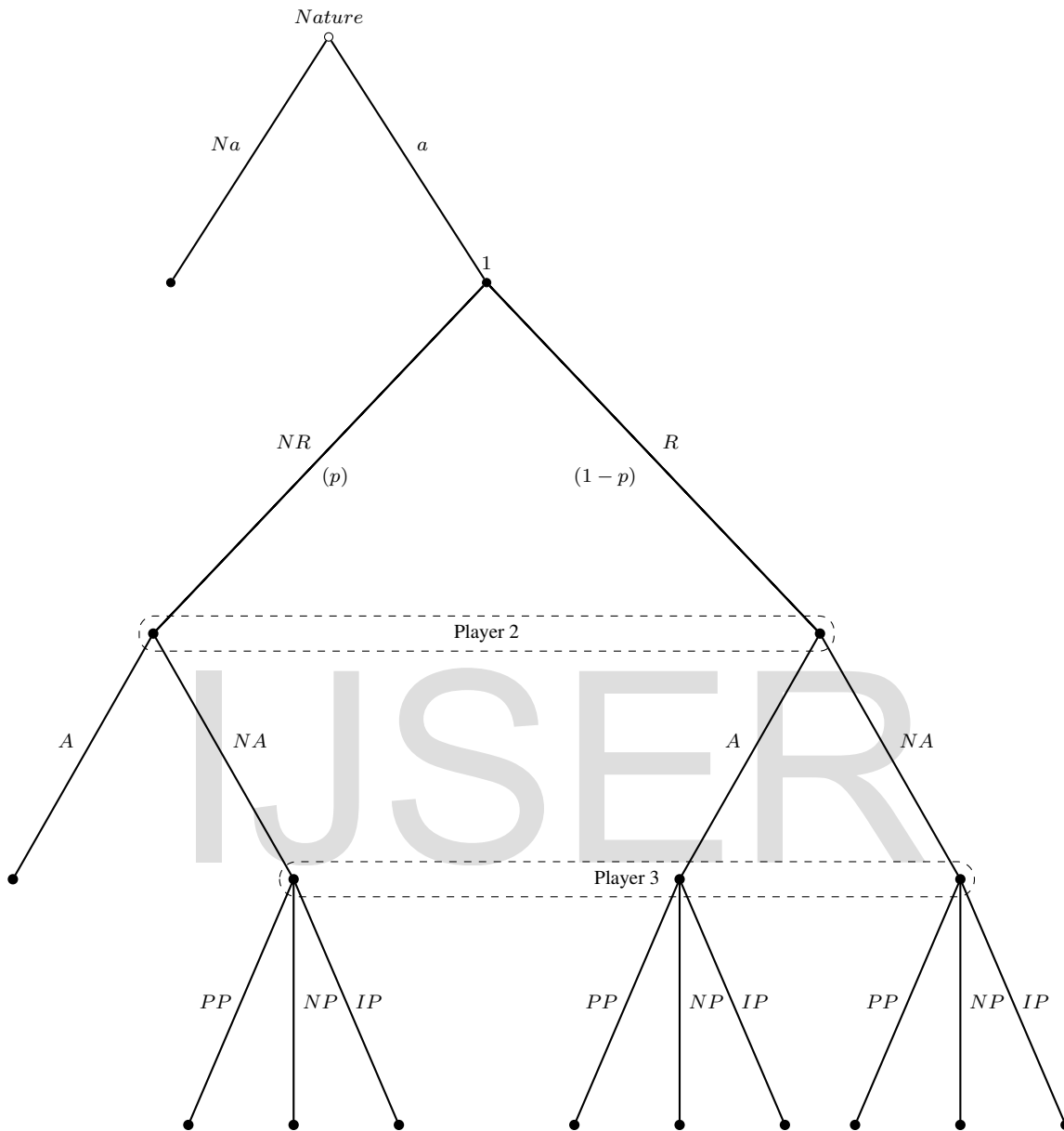
IJSER

<sup>26</sup>In the case of opponents there are three groups. For more comprehensive information, go to Mo Ibrahim Foundation (MIF) website.

<sup>27</sup>In the case of incumbent there are two groups. For more comprehensive information, go to Mo Ibrahim Foundation (MIF) website.

<sup>28</sup>This outcome would be seen by countries as deviating from spirit of the Paris Agreement and also as a way to renegotiate the agreement.

The extensive form of the game is given by the Figure 1.



### 3.2 Incumbent politician faces a term limit

This model<sup>29</sup> is directly relate to a second term<sup>30</sup> of the incumbent politician who has ambition to renew the term individual whether or not. At this time, the incumbent politician faces a term limit with the incentive of winning the election for a new term. The particularity of this game comparing to the former was that the incumbent politician draws more policies which have not a direct link with a poverty reduction program like the Paris Climate Agreement for example. Following this, the incumbent politician care less voters preferences and decisions (because he faces a term limit). For that, he searches for an opportunity cost from a rich western or other outside nations during the period. For the study we restrict the number of the players at two in complement with the nature. Follows that, respectively we have a nature, the incumbent politician (who face term limit) and a majority of the voters. The competition is involved on the asymmetric information and the majority of the voters do not know the incumbent type or strategy it is facing.

<sup>29</sup>Also called review model, includes searching an opportunity cost.

<sup>30</sup>Second term corresponds to the second five years period of the incumbent politician

Furthermore, the voters can decide to live as "pro-abortionist" Paris Climate Agreement *PP* or as "non-abortionist" *NP*. Whenever the decision of the voters', the incumbent politician will go ahead on the competition and through this, he faces a term limit and opportunity cost. If the voters decide to live as "pro-abortionist" Paris Climate Agreement, the incumbent politician (individually) may decide to ignore the request by going through the "adoption" of the policy. Following this, he anticipates the way of being reelected and proceeds with the goal of accumulating wealth during a term. Or, he may decide to draw out policy through the "non-adoption" by sharing voters request with the goal of winning election for a new first term. Through this, the reelection incentives would be for the incumbent party, and this because we assume that the country Constitution allows two term for the incumbent. But the incumbent's party can be reelected several time if this is a choice of the voters.

The electoral competition involves as follows. During the first round, the incumbent's party makes his decision regardless the voters' decision. Through the competition goes ahead, he includes "opportunity cost"<sup>31</sup> as the main strategy. Following this, the incumbent politician makes the decision regardless potential individual private interests. During the second round, he intervenes including interplay of private interests and corruption game, with the aim of winning new election. Increasingly, including opportunity cost which entails drawing policy that has not a direct link with the poverty reduction agenda, may has a negative impact on incumbent's party reelection. Let us assume that the incumbent politician (individually) was quite willing to corrupt<sup>32</sup>. To do so, he assigns two main goals: Firstly, he draws several policy with the goal of accumulating an illegal wealth<sup>33</sup>. In the second round, he will behaves as "liberal politician" with the aim of winning election for a new term. Through investigating the population strategies he realizes that the majority of them do not clearly draw probable incumbent's party reelection. Moreover, the incumbent has used focusing more on the individual private benefits from outsider policy such as Paris Climate Agreement offers and advantages<sup>34</sup> with the goal of amassing country wealth. Finally, it concludes as follows: during a term the incumbent politician hides his type by playing a confusing strategy knowing that he has a reelection incentives. He anticipates the decision of the voters by accumulating a wealth and resources, with the goal of winning election for a new term via corruption forms game. The strategy of the game is as follows:

1- The Nature sets up two actions. Respectively they are "ratified" and "non-ratified". We apply the same probability to each action.

2- During the competition the incumbent politician draws his set of policies. Through this, he looks for the decision' of the voters size. But he knows that he has  $C_{it}$  ( $C_{it} > 0$ ), where  $i$  is the incumbent's party and  $t \in [0, 2]$ , are benefits when he searches for an opportunity cost. It follows that we are on the policy size through the "adoption" after "ratifying" the Paris Climate Agreement.

3- The voters decisions would be based on life expectancy and experience of the welfare during the incumbent's term. Voters have the possibility to live whether or not as a "pro-abortionist" of the Paris Climate Agreement.

4- The incumbent's party will intervene to make a reform by corrupting voters and institutions with the goal of winning election for a new term. During the first round campaign the incumbent's party will reallocate a part of the wealth for the voters with the goal of being reelected or reelecting his party.

Accordingly, we have this situation where the majority of the voters opt for the "pro-abortionist of the Paris Climate Agreement" by rejecting the adoption of the policy. Following this, the incumbent politician was anticipated that his party's reelection would be based on the voters' and institutions' corruption. The incumbent politician anticipates that he may fail in his party reelection according to the voters' decision if he does not use the corruption way.

To build our model we have been inspired by the Buttorff (2011) model where he uses a state, social groups and the institution as a power center. But in our work we make two assumptions. During a first term the voters are the ones who reelect the incumbent politician for a new second term. Following this, during a second term, the incumbent politician corrupts the voters and institutions with the goal of winning election for a new first term. Through this,

<sup>31</sup>We consider opportunity cost as development aid or assistance which has not improved poverty reduction program. Works by Maizels and Nissanke, (1984); Alesina and Dollar, (2000) and Schraeder et al., (1998) argue that aid allocation is not clearly associated with recipient socio-economic needs programs and public agenda of poverty. Also, work by Kuziemko and Werker, (2006) highlights that the number of study that shows the multilateral aid influence on strategic interests of main financial contributors is very limited. Brutigam, D. (2000) argue that long term dependence on aid may retard countries economic growth and development.

<sup>32</sup>see C. Ferraz and F. Finan (2011) work, title "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments". Through their work, it finds that political institutions affect corruption levels...

<sup>33</sup>See Stephen Knack and Philip Keefer (1995), Paolo Mauro (1995), and Marianne Bertrand et al. (2007) for studies examining the impacts of corruption.

<sup>34</sup>Developed countries committed mobilize 100 billion a year in public and private finance for developing countries by 2020. China pledged 3 billion to help developing countries. For more comprehensive information, see Center for Climate and Energy Solution Report, June 2017. Or go to C2ES.org website.

the incumbent politician anticipates the majority voters decision by assigning the goal of accumulating a wealth and resources in order to corrupt the voters and the institutions.

### Preferences and Payoffs

For this electoral competition with a term limit, the payoffs are totally different from the precedent and the outcome of the game is  $(\alpha, \delta)$  where  $\alpha$  and  $\delta$  respectively are the incumbent's party and the voters' payoffs. We introduce an opportunity cost notion's for a comprehensive presentation of the competition results. The game has four stages and each one appears with an equal probability.

Let us denote by  $C_{it}$ <sup>35</sup>, a wealth accumulating by incumbent's party during the first time with the goal of searching individual private interests through the "ratification and adoption" of the Paris Climate Agreement.

Let us assume by  $-C_{it} = -(1 - s_t)$ , the amount of a debt that the country should be faced at a long terms through "the ratification and adoption" of the Paris Climate Agreement today.

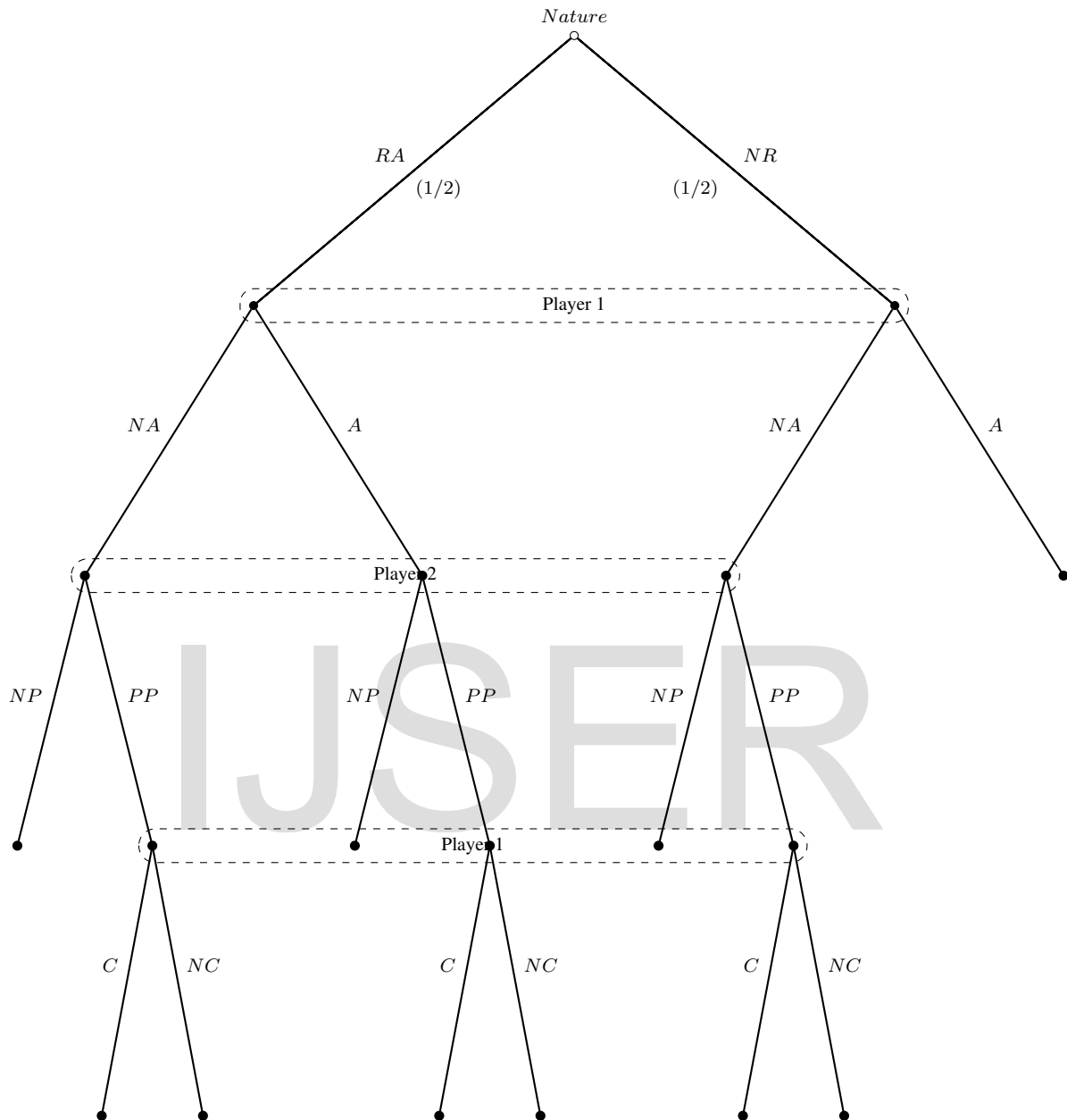
Let us denote by  $C_{pit}$  ( $C_{it} > C_{pit} > 0$ ), the non-consuming part of the wealth accumulating during the incumbent's party term. Where  $i$  denotes the incumbent party and  $t \in [0, 2]$ .

Let us assume by  $C_{sit} = (C_{it} - C_{pit})$ , the amount utilizes to corrupt the voters and institutions during a final term with the goal of winning election for a new term. This may happens where the incumbent's party anticipates that the majority of the voters discontents the incumbent's party policy and may vote against him.

IJSER

<sup>35</sup>We have inspired Besley (2006) model, who shows that in equilibrium non-corrupt politicians always set  $e_t = s_t$  and corrupt politicians choose  $e_2 = (1 - s_2)$  in period 2, and  $e_1 = s_1$  in period 1. For that, politicians who choose  $e_1 = s_1$  will get reelected. In our study, we consider non-corrupt politician as incumbent politician who has reelection incentives by specifically drawing policy which has a direct link with a poverty reduction program, on the one hand. This policy may improve the life expectancy and experience of welfare for the majority of the voters. On the other hand, we consider corrupt politician as incumbent politician who searches for an individual private interests through outside policy offers and benefits. This may push the politician to draw policy which has not a direct link with poverty agenda, with the goal of accumulating country wealth. For a comprehensive presentation of the similar results, see work by C. Ferraz and F. Finan (2011), title "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments". This individual private interests may be gained through the Paris policy offers and advantages. In our study, we set  $s_0$  an incompressible private benefit that incumbent may hold, whether or not he has reelection incentives during a term. We assume that this incompressible private benefit may involve with macro-economics stability trend. This means that the private interest is randomly drawn each five year term from a distribution  $G(l)$  with mean  $\mu$  and finite endowment  $[0, L]$ . The model assumes that  $L > (\mu + E)$ , where  $\delta$  is a common discount factor less than one and  $E$  denotes individual interests or ego-rents that politicians enjoy from holding new term. Let us suppose that the total private benefits holding during the second five year term is resume as  $e_2 = s_2$  and this where the incumbent has drawn only policy which has a direct link with poverty program. Through this,  $C_{i2} = e_2 = s_2$ . Considering this part, we set  $C_{i2} = (1 - s_2)$  in a case where the incumbent searches for external individual private interests form outsider policy offers and advantages through ratifying and implementing policies which have not a direct link with poverty reduction program. Here, we should be careful by separating the private benefits enjoying from holding new term (each five year period) and those holding through rich western and other nations policy offers and advantages by implementing policies which have not associated with poverty public agenda. Clearly, the first one is denoted by  $e_2 = s_2$  and the second is  $C_{i2} = e_2 = (1 - s_2)$ .

The extensive form of the game is given by the Figure 2.



## 4 Theoretical Analysis and Results

### 4.1 Does voters' decisions matter more for the incumbent politician reelection in the first term?

#### Assumptions and expected results

Assumption A1: The voters decide whether or not to reelect the incumbent politician.

Assumption A2: Let us assume that the incumbent politician cannot cheat.

Assumption A3: The incumbent politician cannot search for an outsider opportunity cost,  $C_{it} = 0$ .

Assumption A4: The voters decisions would be based on the life expectancy and the experience of the welfare during the incumbent politician term.

Let us assume that the incumbent politician has a reelection incentive in opting "not-ratify" the Paris Climate Agreement. In other words, he does not make easy a choice for the opponents to contradict his strategy. The incumbent politician was anticipated that a potential political candidate is also incentivized to do elected for a new first term. Following this, the incumbent politician does his best in order to be closed to the population preferences by attempting to enjoy the majority of the voters' confidence. It follows that the incumbent politician will anticipate holding three (3) as payoffs. However, the opponents were too confused to reveal a lack of past and current experience of the incumbent politician to convince voters with the goal of being elected. Through this, the opponent politician will expect to gain one (1) as payoffs. For that, the majority of the voters are being convinced with the incumbent politician policy. It follows that, the voters have got good experience of welfare and life expectancy during the incumbent politician term. This lead the voters hold a three (3) or a five (5) as payoffs. Through this, the game hold  $(\alpha, \beta, \gamma) = (3, 1, 3)$  as a minimum outcome and  $(\alpha, \beta, \gamma) = (3, 1, 5)$  as a maximum outcome. Under the assumptions A1, A2, A3 and A4 the incumbent politician is better off by restricting a policy agenda for poverty reduction in the goal of being reelected.

Let us assume that the incumbent politician has reelection incentives. But he uses to hide his type for the voters and the opponents in order to ratify the Paris Climate Agreement. For that, he may push the opponents risk decision whether or not to "adopt" the Paris Climate Agreement. Following this, the incumbent politician sets the opponents decisions as given and exhibits his type. For that he act as a leader. It follows that the incumbent politician uses his skills and legislative power to weaken his potential opponents in order to convince the majority of voters by using current and a past experience with the goal of winning election for a new term.

Assumption A5: The past and the current experiences politician are relevance to the voters' in an electoral term.

Assumption A6: The voters may trust the incumbent politician past experience.

Through the assumptions A5 and A6, the incumbent sets a potential candidates as followers. Through this, the majority of the voters trusts the incumbent policy and whether or not the opponents decide on "adoption", the incumbent politician would do his better in order to be close his action to the voters preference. For that, this leads the majority of the voters living as a pro-abortionist by gaining a three (1) as payoffs through "ratifying and adopting" the policy. The incumbent politician, by behaving as a leader will expect holding a three (3) and the opponents through staying as a followers will expect holding a three (3). As a result, the outcome will be  $(\alpha, \beta, \gamma) = (3, 3, 1)$ . When the policy is "ratified and non-adopted", the majority of the voters who live as a pro-abortionist would expect to holding a three (3) as payoffs. The incumbent politician through living as a dominant would expect holding a three (3) and the opponents hold a three (3). In conclusion, the outcome would be  $(\alpha, \beta, \gamma) = (3, 3, 3)$ .

However, by comparing the two outcomes discussed above, it seems that the outcome  $(\alpha, \beta, \gamma) = (3, 3, 3)$  matters more with voters preference than the outcome  $(\alpha, \beta, \gamma) = (3, 1, 3)$  as a minimum and the outcome  $(\alpha, \beta, \gamma) = (3, 1, 5)$  as a maximum. In spite of the incumbent ratification the Paris Climate Agreement, voters will opt more for non-adoption by living on the majority as a "non-abortionist" a new policy of the Paris Climate Agreement. Through this, by comparing the outcome  $(\alpha, \beta, \gamma) = (3, 3, 3)$  with the outcome  $(\alpha, \beta, \gamma) = (3, 1, 3)$  at a minimum and the outcome  $(\alpha, \beta, \gamma) = (3, 1, 5)$  at a maximum and assuming the assumption A1, the outcome  $(\alpha, \beta, \gamma) = (3, 1, 5)$  though "non-ratified" matter for the incumbent politician's in the goal of being reelected for a new second term. It follows that it exhibits the majority of the voters preference.

Furthermore, by comparing this outcomes  $(\alpha, \beta, \gamma) = (3, 1, 5)$  with the outcome  $(\alpha, \beta, \gamma) = (0, 3, 1)$  of the Paris Climate Agreement Council and the former colonizer, and assuming the assumptions A1, the incumbent politician is better off focusing on the policies which have direct links with the poverty reduction agenda to have a higher chance of being reelected for a new term.

### **Evidence from Benin president, Boni Yayi in the first term: 2006-2011**

The election competition in most Africa countries is characterized by clientelism. Through this, the relative building credibility of clientelism appears when politician's, parties and voters interacted in network campaign promises (T. Fujiwara and L. Wantchekon, 2013; Keefer and Vlaicu 2008; Easterly and Levine, 1997). Following this, a new second term of the president Boni Yayi election would be based on this assumption.

It follows that, to stand on the campaign promises and makes credible the voters' commitment, the president scheduled the adoption of a several institutional reforms. These reforms are followed by development growth policies. As result, it may lead to a successful outcomes like a net improvement of the welfare and an increase of a life expectancy for the majority of the people. This is due through the power of the president to set a policy. However, he does his best by focusing on the policies which have a direct link with population's preferences. Through this, he draws a specific policy to face a particular problems of the country with the goal of winning election for a new term.

Finally, during the term the president, several challenges were faced like the opponent politician and council syndicate associations resistance to the adoption of some institutional reforms. Despite this situation, the president does not make easy the choice for the opponents to take an advantage from his strategy of setting a policy. Following this, the president listens to the majority of the voters' request by drawing a specific policy in order to face the problems which confuses the population. As result, during the first final term the majority of the voters have increased incentives to reelect the president for a new second term. That means that during the first round the president's party policy has achieved his goal of being reelected for a new second term.

## 4.2 Does voters decisions' matter more for the incumbent politician in the second term?

### Assumptions and expected results

Assumption A7: The incumbent's party may search for an external opportunity cost,  $C_{it} > 0$ . Where  $i$  is incumbent and  $t \in [1, 2]$ .

Assumption A8: Let us assume that the incumbent politician can cheat.

Assumption A9: The incumbent's party can corrupt.

Let us suppose that a policy is not ratified. This implies that the incumbent politician has no preference for an outsider opportunity cost. It follows that the incumbent politician has an increase a party reelection incentives. In addition, by achieving the goal of being reelected for a new first term the incumbent politician may draw a policy which has a direct link with a poverty reduction program. It means that the incumbent politician strategy actions would raise a life expectancy and an experience of the welfare for the voters. Through this, the majority of the voters living as "pro-abortionist" of the Paris Climate Agreement would be convinced by the incumbent's party reelection. However, the minority of the voters would be agitated by the opponents candidate with the goal of causing the incumbent politician election strategy fail. Following this, the incumbent may use skill to maintain during a term the majority of the voters with the goal of winning election for a new first term.

Let us suppose that the Paris Climate Agreement is ratified. That may imply that the incumbent politician has a preference for the future external opportunity cost. By assuming that the incumbent politician faces a term limit, he would ignore a voter decision' during a term. Through this, he would set a State as a business corporation, and on which he acts as a headmaster. Under the assumption A7, this may lead for an adoption of the Paris Climate Agreement. It follows that he holds ( $C_{it}$ ) as advantage. Following this, the incumbent politician would be faced the majority of the voters living as "pro-abortionist" of the policy. Additionally, he would anticipate that the chance of winning election for a new term is very low. Through this, he would use corruption with the goal of winning election for a new term. By setting the goal of being reelected or of winning election for a new first term, he would corrupt the voters and the institutions. This may hold under the assumption A8 and A9. Furthermore, the incumbent politician will opt for money distribution form in terms of corrupting reforms during a final term campaign period's with the goal of winning election. To do so, the incumbent's party would draw a randomly a subgroup from the majority of the voters discontenting with the policy of the incumbent politician in order to corrupt with the goal of being reelected or fo winning election for a new term. For that, the corrupt voters' would gain ( $C_{it}A_{it}$ ).

Finally, let us suppose that the policy is ratifying and the incumbent politician has also an increase reelection incentives for his party. But he can't afford to set a policy which has not a directly link with a public policy's agenda for poverty reduction. He affords to draw out an outsider opportunity cost. It may lead for to a "non-adoption" of the Paris Climate Agreement. Through this, the incumbent politician strategy would seem confusing from the voters' view. Following this, the potential candidate would base their election campaign arguments though the incumbent politician policy in order to weaken the incumbent's party with the goal of winning election for a new term. It follows that the incumbent politician would anticipate the potential candidate strategy actions by using skills to convince the majority of the voters with the goal of winning election for a new term. For that, the policy strategy of the incumbent politician may have a positive impact on a life expectancy and an experience of the welfare of the voters.

### Evidence from Benin president, Boni Yayi in the second term: 2011-2016

The 1990 Benin Constitution<sup>36</sup> allows two successive term for the incumbent politician in terms of democratic system. Through this, during the first term, the incumbent politician must affords to focus on the policies which have a direct link with a poverty reduction program in order to improve a life expectancy and an experience of the welfare of the

<sup>36</sup>For more comprehensive information of Benin Constitution, go to <http://www.la-constitution-en-afrique.org/>



voters. Additionally, he draws a strategy actions which responding for the majority of the voters preference with the goal of being reelected for a new second term. During the execution period in the second term the incumbent politician faces a two big challenges such as the final second term and the opportunity cost challenge. Following this, the incumbent politician has to make a two choice during a term whether or not he has a reelection incentives. First, the incumbent politician may use his first strategy model in the first term from which he won election for the new second term. This strategy entails that the incumbent politician focus on the policy which has direct link with the poverty reduction agenda with a goal of being reelected. Second, the incumbent politician may assign for the goal of being grown rich by accumulating a wealth and an illegal resources through population's back in order to corrupt the institution and the voters with the goal of being reelected or of winning election for a new term for his party reelection. It follows that the incumbent politician anticipates that the majority of the voters decisions through the proportion of the population's discontenting the strategy of actions of the incumbent politician. Based on this, he would include from his strategy actions corruption reforms which stand on sharing money for the subgroups voters. The voters and the institutions are drawn randomly respectively from the majority of the voters and institutions from which the incumbent's party uses to corrupt with resources allocation, and with the goal of being reelected or of winning election for a new term.

Accordingly, on a central level, The incumbent politician and his party membership employ to amass illegal wealth and resources through setting policy which has not a direct link with poverty reduction agenda. In addition, most of these policies come from outsiders aid. However, works by Alesina and Dollar, (2000) and Schraeder et al., (1998); Maizels and Nissanke, (1984); argue that aid allocation is not clearly associated with socioeconomic needs programs or policy agenda of recipients countries. It follows that aid may promote positive impact under a certain good policy conditions (Burnside and Dollar, 2000). This implies that aid which has not focused on the poverty reduction program represents an opportunity cost for the incumbent, who assigns as the goal of growing rich through accumulating a country fortune. For that, the execution of these policies may hamper a life expectancy and experience of the welfare of the voters. Let us consider a second term of the president Boni Yayi. During a stating of a second term the president Yayi has reviewed his former strategy actions model which leading him for a second term. Regardless of the Benin Constitution<sup>37</sup> of the year 1990 and the number of a term assigning for an incumbent politician, he can't afford to break a new term. Through this, he faces a term limit and opportunity cost challenge. During a term the president Yayi has a reelection incentive. He anticipates that the way for expecting of being reelected or of breaking a new term pass through corruption. Following this, the president Yayi realizes that he can't achieve this goal without breaking a life expectancy and an experience of the welfare of the majority of the voters through accumulating a country wealth and resources in order to achieve the goal of being reelected or winning election for a new term. By anticipating the majority of the voters decisions through his reelection incentives, the president Yayi has used to search aid from rich wester nations in order to achieve his main goal. During the period of a term, president Yayi set up a several policies. As result, it was concluded that the president Yayi set a several strategy actions which have not a direct link with the poverty reduction program. It follows that after the execution period of the president Yayi policy like a institutional reforms policies, Benin are living on an increase corruption. In addition, the life expectancy and the experience of the welfare of the voters are declined.

Furthermore, in terms of the strategy actions of the policies setting by the president Yayi in order of accumulating wealth and being grown rich, we name: an affair CEN-SAD , farm equipment, project PPAE , central energy of Mariagleta and PVI<sup>38</sup>. The execution of those projects has required a huge investment in terms of financial founding<sup>39</sup>. But, as result, the impact of those projects on the poverty reduction program is ambiguous. Following this, we class all these projects as an unproductive policy. In fact, his was poorest off most of the population. During a second final term of the president Yayi, the country Benin has also experienced an increase bureaucracy and high corruption. Through this, it recommends that the goal of those policies need to be redefine in order to serve for the development of the Benin country.

Accordingly, during a final term the president Yayi anticipates that new potential candidate is drawn randomly from the population. By setting the goal of corrupting the institutions and the majority of the voters, the president Yayi has referred for skills and money distribution strategy to convince institutions and voters with the goal of being reelected or of winning election for a new term for his party. But as result, all the strategy actions of the president Yayi during a final term in order to break a new term or to win election for a new first term for his party are failed.

Finally, the majority of the voters are decide to draw randomly a new challenger from a pool of the potential

<sup>37</sup>For more comprehensive information of Benin Constitution, go to <http://www.la-constitution-en-afrique.org/>

<sup>38</sup>go to : <https://matinlibre.com/>; <https://www.24haubenin.info/>

<sup>39</sup>go to <http://www.lanationbenin.info>

candidate. Through this, the president Yayi and his party fail for a new term.

### 4.3 Are every Western policies welcomed to nations?

African, South-Asian, and Latin America and Caribbean nations do not suffer from the same problems and do not face similar challenge at the same time. As evidence, all of them are concerned with the poor people but not at the same trend, score and rates. Africa, in particular, has suffered from the lack of resource inflow<sup>40</sup> and most countries severely lag behind the Millennium Development Goals set in 2000 (The G8 summit in Gleneagles Report in 2005). Those nations draw diverse tools to implement policy and those tools may vary across nations, in particular Sub-Saharan African countries<sup>41</sup>. This maybe due to the political, institutional, geographical environment and macroeconomic stability. Following this, it is clearly that the challenge may vary across nations and the results that we came through implementing specific policy may not be replied in other countries for the same problems. It follows that, the South-Asian nations or the sub-groups Asian regions like South-Korea, China and India have chosen to focus on international trade and unemployment and the four Asian-Pacific economies such as Hong Kong, Singapore, New Zealand and Australia focus on economic freedom policy (2016 Index of Economic Freedom, report). The West sub-Saharan African nations focus on eradication extreme poverty and food security, and Mauritius and Botswana focus on economic freedom policy (2016 Index of Economic Freedom, rapport). Inter Press Service Report (September, 24, 2007) highlights that the economic partnership agreement (EPA) with the EU such as the trade agreements have not encouraged the African countries to add value to their exports. Through this, many African countries remain dependent on unrefined primary product trade, such as coffee and sugar<sup>42</sup>. As example, it argues that most of China aid ( US1 billion for example) of African Development Fund were ( US1 billion) invest exclusively in Chinese enterprises and their projects in the continent. It also argues that most of China aid and loans to Africa in exchange for access to oil and other resources were to secure new markets for its exports (read Associated Press Report, June, 26, 2007). "This New York Times article Report (August, 20, 2007)", states that Chinese cheaper products hinders Africa's ability to build a strong textile industries and diverse economy. Additionally, some evidence reveals that neoliberal policies adopted by the orld Bank, IMF and WTO have failed in tackling extreme poverty in Africa (read "This Share the World's Resources article Report", June, 11, 2007.). All this arguments revealed that sub-Saharan Africa will probably not achieve any Sustainable Development Goals(ADGs) on the horizon 2030. According to the 2016 Index of Economic Freedom report, the countries or the sub-groups which have experienced the economic freedom policy, substantially outperform growth, per capita income, health care, education, environment protection, poverty reduction and overall well-being. The Latin American nations focus on reducing illegal drug trade and an increasing insecurity. Nation as a China has involved more on an international trade and a competition. Following this, He needs to develop more industry sector in order to face the Africa and the world demand. The Latin American and the Caribbean nations have suffered more for high dependence from rich Western nations. As result, the majority of the people live in poverty. The Latin American nations like Venezuela, Chile, Panama, and Uruguay have suffered for high unemployment. The regions like an Argentine, Brazil, Colombia and Peru have accumulated bad productivity performance early 1990 period. Through this, the public policy agenda setting by those countries has not aligned with the poverty programs. Those nations utilize to set policy which improves regions labor markets system.

As advice on how best to be great and powerful a new contributing and supporting sustainable development goal by 2030, through gaining a high benefit offered by the Paris policy agenda, will better to set a comprehensive presentation of the planning, the schedule expecting results and how relevant is the mechanism approach to achieve the aim for all nations. The Paris policy committee may deny imposing to push pressure on nations but should opt for redefining and readapting the former planning agenda through countries specific problems. This may vary across nations or regions. This schedule would show a country specific problems and potential challenge like how raise the GDP per capita, life expectancy and experience of welfare for people. The Paris Climate Agreement Council and the Group COOP21 should bring a new policy agenda reforms which may display clearly low and high income nations, less and high industrializing countries scores, trends, ranks and maximum rates of greenhouse gas emissions and the penalty

<sup>40</sup>According to the G8 summit in Gleneagles Report in 2005, rich western nations have failed to double development assistance for Africa and relieve poor countries of their debt.

<sup>41</sup>Reuters Report in September, 15, 2007 highlights that the world's major development banks gathered to mobilize resources for the continent but at the same time, World Bank chief Robert Zoellick anticipates great opportunity for Africa for the future.

<sup>42</sup>Inter Press Service Report in September, 24, 2007 states that the benefits of the economic partnership agreement (EPA) with the EU do not profit for Africa. This is due to the fact that the African countries face potential barriers as the EU increasingly hinders imports of industrialized products from outside the Union and also the African industries are unable to out-compete Asian imports.

assigning for countries if overcome this rates. It advises that on how best the policy should acquire deeply on supports from continents, regions, sub-groups and affinity in terms of companies, nations, States and visions.

Doing this, the nations with less industrialize like the South-Asian, African, Latin American and Caribbean nations would feel self concerning from that sustainable development reforms than those nations which are concerned with more industries, infrastructures such as the OECD nations and china. Additional, lack of planning agenda of the policy should cause a negative impact on country development and growth. It may also push people living an absolute poverty. However, this lack of planning agenda may hamper macroeconomic stability of the country and may cause poverty. Finally, by pushing pressure on nations to adopt this Paris policy through the ratification, may lead to other economic shocks, such as a world recession, redundancy and mass dismissal. On the one hand, the first one shock may fail the family remittance from the urban workers. On the other hand, the second shock may cause a high unemployment. Following this, the country poverty scheme may increase and the number of poor people would double.

## 4.4 Discussion

### Chinese case

China is the country which denies to ratify the Paris Climate Agreement. As arguments, the Chinese highlights that the country development level is too low comparing to those of the United States and the rich western nations such as the France and Germany. Through this, the China adopts through ratifying the Paris Climate Agreement if and only if he achieves the current score level of gas emissions drawing by United States and the rich western nations. Following this, it displays that China adoption through ratifying the Paris policy was based on the score, trend and rank countries at overall world tradable emission units. Furthermore, China make an assumption that a policy does not profit for the Least Development Country's and less industrializing nations such as African nations. In addition, it argues that the United States and rich western nations may concern with high industrializing, dispose many companies and displays strong carbon market. Those nations cause more atmospheric disturbance that threaten supporting sustainable development efforts. For that, the Paris agreement committee should be more opened for a further new renegotiation of the agreement and may stop pushing pressure to nations for the adoption through ratification in order to maintain the macroeconomic stability of the nations. To do so, the adoption of the Paris Climate Agreement must be scheduled on time and may include the countries existing realities. This kind of the strategy may be relevant for the majority of the nations that wish to contribute for the agreement success, but further have though that the Paris committee intend to use some form of international emissions trading to implementing their contributions<sup>43</sup>.

However, in other words, the adoption of the Paris Climate Agreement would be considered as a potential challenge for the rich western and high industrializing nations. As arguments, this position may lead those nations staying as rich with high economic growth through accumulating an important fortune, and better life expectancy. This may also lead those nations staying as a powerful economic and army among the whole world nations. Additionally, the Paris Climate Agreement adoption may facilitate the rich and high industrializing nations substantially outperforming economic development, per capita income, health care, education, protection of the environment, reduction poverty and overall well-being. Furthermore, those nations have substantially experienced less unemployment rate, less food insecurity and less lack of water. They were accumulated more skills to overcome poverty and efficient tools to prevent economic shocks. The United States and the rich western nations are the traditional donors for the African, Asian, Latin American and the Caribbean nations.

Moreover, the plethora aid from the United States, OECD'Development Committee aid, World Bank and IMF for recipients countries such as the African, South-Asian, Latin American and the Caribbean nations cause a high inequality and an unequal poverty distribution and particular, Africa has benefited billions of dollars in aid since the independence, but as results, the number of poor Africans has doubled, reported by Ayub Rioba, a Tanzanian journalist<sup>44</sup>. According to the work by S. Asongu and J. C. Nwachukwu (2012), the impact of the plethora dynamic aid for humanitarian assistance from the United States, the OECD'Development Committee aid and the World Bank on the inclusive development of the African nations has a negative. It follows that, long terms dependence on aid may also affect the development growth for the African nations (Brutigam, D., 2000). This situation profits for the minority elite through staying in political and economic power with the goal of being grown rich and accumulating fortune. The majority of the population live on poverty by owning labor force. Following this, the gap of the life expectancy and experience of welfare for rich nations comparing to the African, Asian, Latin America and Caribbean nations is high.

<sup>43</sup>For more information, go to (Center for Climate and Energy Solution Report, June 2017) website.

<sup>44</sup>For a comprehensive information, read Christian Science Monitor Report (August, 23, 2007).

This statement was supported by 2016 Index of Economic Freedom report. Additional, it recommends that the Paris Climate Agreement Committee should be more opened for nations and teach a comprehensive methodology of the Policy for the least developing countries. As example, the executive Committee of the Paris Climate Agreement may decide to utilize for example "2016 Index of Economic Freedom report" results methodology and adapt in the context of the Paris policy, with the aim of preventing an injustice towards the nations. After drawing this part, the policy methodology will be taught with deeply detail of countries planning agenda in order to prevent any further damage, with the goal of achieving the Sustainable Development Goals (ADGs) on the horizon 2030, which has approved by the United States in September 2015. These goals would be reached through improving climate environment. The detail of the countries Paris policy planning agenda may include a political and geographical environment, a sub-groups nations, affinity and network within nation. In addition, the detail of the planning agenda may also include the countries atmospheric disturbance rates, score, trend and rank and the countries maximum rates under nations can't afford to pay more dollars.

Regardless the pool arguments, China anticipates the economic cost and further benefits with rejecting the Paris policy in order to prevent failure with the goal of being not afforded the country economic growth. Despite China involves in autocratic government, the incumbent politician has assigned with the goal of improving the life expectancy and experience of welfare for the large proportion of the population. Finally, most China policies are concerned searching for resources in Africa. To do so, China brought investment, technology and jobs into some of the world's poorest countries and by the same way imports African resources. As results, it found that most aid for African countries come from the Chinese steel production surplus (Dreher et al, 2017). This suggests that China also produces high gas emissions and may causes atmospheric disturbance. This applies that China maximum atmospheric disturbance rate should be different from those of African, Latin American and the Caribbean nations in terms of reducing or avoiding greenhouse gas emissions and supporting sustainable development.

## 5 Empirical framework

This section appears as a support for the theoretical findings. On this study, we will focus on one Sub-Saharan countries like Benin in order to achieve the goal. The purpose of this study is to get more comprehensive and complete knowledge on the incumbent politician final terms and shows how reelection incentives can influence the policy during a term.

### 5.1 Empirical Strategy

Our empirical approach will be based on the work by Dreher et al (2016) model, which has retaken and re-formed by Dreher et al (2017) through particular needs to achieve the goal of the study. It uses to show how China aid affects the economic growth at the local level within the African countries. We will use this model for our specific needs to analyze the causal effects of reelection incentives on serving political in the term limit.

As recall, the incumbent politician who assigns the goal of being grown rich by accumulating wealth during a term would set policy, including policies which have not a direct link with the poverty reduction program. Let us denote by the opportunity cost a policy which has not a direct link with poverty reduction agenda. Those policies appear to raise public policy agenda. According to our goal, we set two times period during the incumbent politician term. Which are the first and second terms. However, we set GDP per capita growth (annual %) as a dependent variable. Following this, we set gross domestic savings (% of GDP), household final consumption expenditure per capita growth (annual %) and domestic credit to private sector (% of GDP) as independent variables. We want to show how these variables can affect the life expectancy and welfare of the voters, a proxies by the GDP per capita growth (annual %t) in the first and second term for the incumbent politician. We assume that the country Constitution<sup>45</sup> allows at most two term for the incumbent politician. The basic model is as follows:

$$GDP_t = \beta_0 + \beta_1 C_t + \beta_2 \ln S_t + \beta_3 \ln K_t + \epsilon_t \quad (2)$$

Where  $\beta_i$  is a parameter;  $t \in (1, 2)$  which respectively are the first and second term and  $\epsilon_t$  is the error terms. Through this, GDP is referred to as GDP per capita growth (annual %), C is a household final consumption expenditure per capita growth (annual %), S indicates a gross domestic savings (% of GDP) and K specifies a domestic credit to

<sup>45</sup>For more comprehensive information of Benin Constitution, go to <http://www.la-constitution-en-afrique.org/>

private sector (% of GDP). Following this, by running the estimation, we use the Augmented Dickey Fuller (ADF) unit root test to verify if the variables have a unit root. This leads to check for the data stationary whether or not. Following this, we use the Auto-Regressive Distributed Lag (ARDL) procedure of Pesaran and Bahram (1997) and Pesaran et al. (2001) to test the long run association between the reelection incentives, the incumbent politician's policy and the term limit.

Additional, we test the short run relation between the reelection incentives, the incumbent politician policy and the term limit. Through this, we will check the effects of the household consumption, the saving and the domestic credit on the gdp per capita. Accordingly, it exists various co-integration testing techniques (Engle and Granger 1987; Phillips and Hansen 1990; Johansen 1991; Johansen 1995; Gregory and Hansen 1996 and Banerjee et al., 1998). But, in our study we employ the autoregressive distributed lag (ARDL) model<sup>46</sup>. This may possible due to the multiple advantage it shows by comparing with other method of the co-integration test. As arguments, the ARDL technique allows you to test at the same time long and short run parameters and prevents for the endogeneity problems. Secondly, the ARDL model does not entail the pre-testing for unit root and all the variables are supposed to be endogenous (Hye and Wizarat, 2013). In addition, we test the long run relationship between the reelection incentives, the incumbent politician policy and the term limit though extending. The unrestricted error correction model is as follows:

$$\Delta(GDP)_t = \alpha_0 + \alpha_1 \sum_{i=1}^{\infty} \Delta(GDP)_{t-i} + \alpha_2 \sum_{i=1}^{\infty} \Delta(C)_{t-i} + \alpha_3 \sum_{i=1}^{\infty} \Delta(\ln S)_{t-i} + \alpha_4 \sum_{i=1}^{\infty} \Delta(\ln K)_{t-i} + \beta_1 GDP_t + \beta_2 C_t + \beta_3 \ln S_t + \beta_4 \ln K_t + \varepsilon_t \quad (3)$$

Through this, the second part by containing  $\beta_i$  represents the long run relationship. This model will be tested by using F-tests. Following this, we set the hypothesis as follows: Null hypothesis is defined by  $H_0$ :

$$\beta_0 = \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0 \quad (4)$$

is tested against the alternative hypothesis  $H_1$ :

$$\beta_0 = \beta_1 = \beta_2 = \beta_3 = \beta_4 \neq 0 \quad (5)$$

## 5.2 Data

The aim of this study requires to use two types of period: the first and the second term of the incumbent politician. Let us assume that the Benin president, Boni Yayi first term: 2006 to 2011<sup>47</sup> and second term: 2011 to 2016<sup>48</sup>. Through this, the data states from 2006 to 2016. Following this, we use the Sub-Saharan data from the World Bank and OECD National Accounts Data files.

## 5.3 Descriptive statistic

We use GDP per capita growth, household final consumption expenditure per capita growth, gross domestic savings and domestic credit to private sector to show how trend movement of the life expectancy and experience of welfare for the majority of the voters may vary during the incumbent politician term.

### GDP per capita growth (GDP)

<sup>46</sup>For more comprehensive presentation of the ARDL approach and advantages, see: Qazi Muhammad Adnan Hye and Shahida Wizarat (2013); Safdari, Mehdi (2011); Soheila Khoshnevis Yazdi and Bahman Khanalizadeh (2011), and Erasmus L. Owusu and Nicholas M. Odhiambo (2013).

<sup>47</sup>Elections are held countrywide two times at the beginning of the year 2011 in March. Which respectively are the first and second round elections. The new government begins in May, five of the same year.

<sup>48</sup>Elections are held countrywide two times at the beginning of the year 2016 in March. Which respectively are the first and second round elections. The new government begins in May, five of the same year.

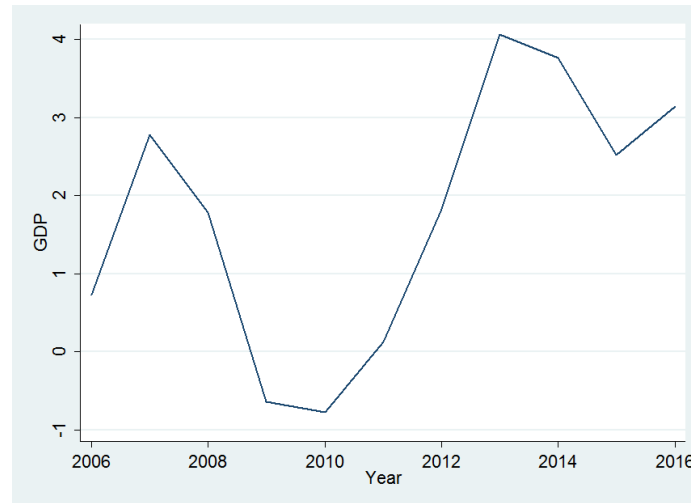


Figure 1: GDP per capita growth (GDP)

### 1- First term : 2006 to 2011

The figure 1 shows that at the beginning of the first term, the incumbent politician sets the institutional reforms which has a direct link with the poverty reduction agenda. As result, these reforms lead to improve the life expectancy and experience of welfare for the majority of the voters. This may be viewed through the first steady state of the curve at a year 2008. The first steady state reaching by the curve would correspond to the first equilibrium of the curve trend. The first round of the first term of the incumbent politician's may consider as an experimental period of the reforms for the opponents and the voters.

During the second round for the first term of the incumbent politician, the trend of the curve starts to decline from 2007 to 2010. It Follows that, the declining of the trend has be taken three years from the five years of the incumbent politician. It may mean that during the four left, the incumbent politician strategy actions reveals inefficient for three. This may include as the threat for the incumbent politician reelection for a new second term. This may imply that most of the reforms setting by the incumbent politician include the policies which have not a direct link with the poverty reduction program. It may also means that during the planning period, the incumbent politician faces the opponents resistance or the economic shocks. As result, the life expectancy and experience of welfare of the majority of the voters have totally fallen and are worse off than the period without reform.

After this period (2007-2010), the trend of the curve starts to grow up. This implies that the incumbent politician was anticipated the decision of the majority of the voters and the opponents. Through this he reviews immediately the public policy agenda in order to draw out the policies which have not a direct link with the poverty reduction program with the goal of being reelected for the new second term. On the figure, this curve trend includes period stating from 2010 to 2013. It follows that the majority of the voters realize that the life expectancy and experience of welfare have started improving. For that, regardless past performance of the incumbent politician at the beginning a first new term, the majority of the voters decide to renew the incumbent politician term by hoping that the future would be best.

### 2- Second term: 2011 to 2016

During a new second term, we remark that the incumbent politician maintains the pace trend curve until the year 2013. This highlights that the incumbent politician identifies policy which has a direct link with the poverty reduction program. For that, during the period stating from 2011 to 2013, the incumbent policy has a high positive impact on the poverty reduction program. This raises and improves the life expectancy and experience of welfare for the majority of the voters.

The figure shows the new steady state in 2013, from which the peak is higher than the past former steady state in 2007, has brought a new equilibrium for the incumbent politician strategy actions. At this time, the trend curve stops raising and declines from period 2013 to 2015. This means that at the end of the period 2011 to 2013, the incumbent politician has reviewed his policy strategies. Through this, the incumbent politician includes on the public

agenda policy which has not a direct link with the poverty reduction program with the goal of being grown rich by accumulating wealth. Following this, he uses policy advantage from which he gains individual wealth to corrupt the institutions and the majority of the voters with the goals of being reelected or of winning election for the new term. The opportunity cost is gaining through setting policy which hit country well-being and hamper the life expectancy and experience of welfare of the majority of the voters. But as result, the incumbent realizes that the majority of the voters discontent his policy and decide to elect a new challenger.

Through anticipating the decision for the majority of the voters, the incumbent politician introduce corruption forms in order to win election for the new term. As result, during the period 2015 to 2016, the incumbent politician attempts corrupting the institutions and the majority of the voters with the goal of being reelected or winning election for a new term. But, regardless the current life expectancy and experience of welfare, the majority of the voters decide to elect a new challenger that has drawn randomly from the pool of the potential candidate for the new term. In other words, all the figures below display slightly similar interpretation as the case of the GDP per capita growth.

IJSER

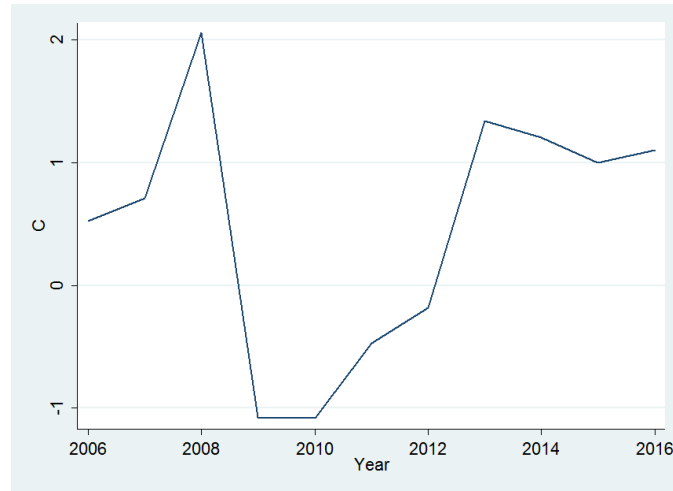


Figure 2: Household final consumption expenditure per capita growth (C)

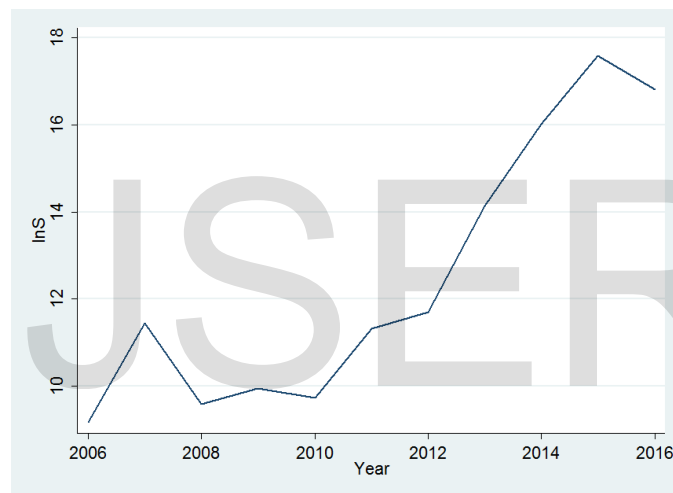


Figure 3: Gross domestic savings (S)

**Household final consumption expenditure per capita growth (C)**



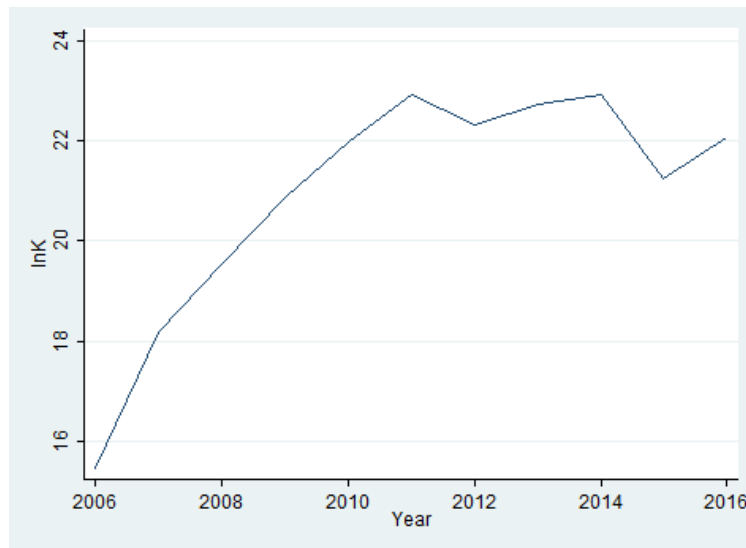


Figure 4: Domestic credit to private sector (K)

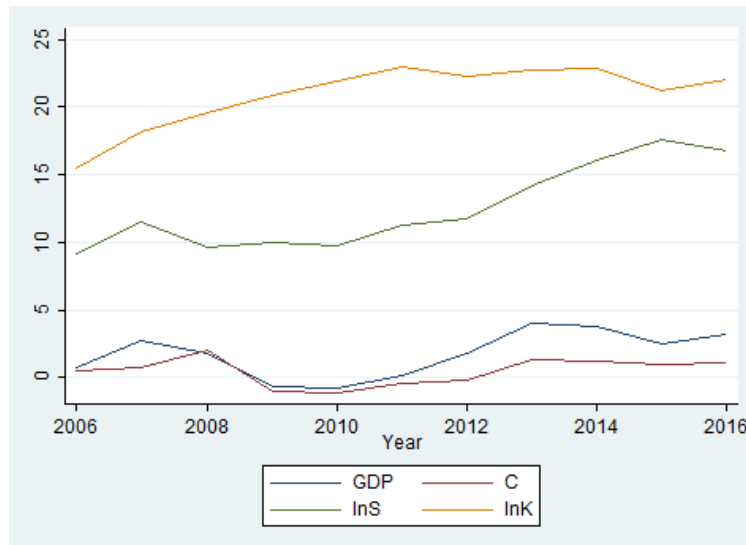


Figure 5: Curves trend

## 5.4 Estimations and Results

The goal of the study is to examine how the reelection incentives can influence the incumbent policy in the term limit. Through this, we use the Augmented Dicker Fuller unit test to verify, whether or not the variables have unit root i.e. the data are stationary or non-stationary. Table-1 displays that the variables GDP, C and lnS are non-stationary and have a unit root in their level form. However, the ADF test in the first differences form for GPD, C and lnS reveal a stationary form at the 5 %t level of significance and lnK shows stationary at a 10 % level significance. Table-1: Unit Root Test Results

Table 1: Unit Root Test Results

Regression	Augmented Dickey Fuller(ADF) Unit Root Test	
	Level	1st Difference
$GDP_t$	-1.332	-3.386*
$C_t$	-1.997	-3.404*
$lnS_t$	-0.386	-3.109*
$lnK_t$	-4.464	-2.643 * *

\*: 5% Level of significant  
 \*\*\*: 10% Level of significant  
 Source: Autor's calculation in Stata

Three lags are selected by most of the criteria when we apply ARDL method. This implies that there is three co-integrating vectors, through using Schwarz Bayesian Information Criterion (SBC). This shows the existence of long run equilibrium.

Table 2: Long Run Coefficients

Regression	Dependent variable $GPD_t$		
	Coefficients	St.Deve	P-value
$C_t$	$1.03E - 15$	$2.57E - 16$	0
$lnS_t$	$1.38E - 15$	$3.46E - 16$	0
$lnK_t$	$1.12E - 15$	$2.79 - 16$	0
Constant	-0.3627829	0.4740955	0.473
R-Squared	0.6367		
R-Bar-Squared	0.455		
P-value	0.0894		
DW-statistic	1.1327		

Source: Autor's calculation in Stata

Following this, Table-2 shows the long run coefficients where the efficient ARDL technique of GDP per capita growth displays the basis of Schwarz Bayesian Criteria (SBC). Through this result, household final consumption expenditure per capita growth (annual %), gross domestic savings (% of GDP) and domestic credit to private sector (% of GDP) display positive coefficients. This implies that all the variables have a positive impact on GDP per capita growth (annual %t) in long run equilibrium. Accordingly, based on the restrict data we face for the study period, we cannot clearly decide between first and second term. But, we aim to make some reference through the needs of analysis. However, McKinnon and Shaw empirical results confirm that polices were set to profit the Least Developing Countries. Following this, it argues that the aim through drawing policy is to hit poverty and improve population well-being. As arguments, the fight against poverty in Pakistan country was a success through including into public agenda a strong financial openness reforms, such as opening to technology investments and financial innovations. The country has drawn out a political restriction which may lead to the macroeconomic shocks and poverty. As result, the country has prevented for unemployment and huge dependency from rich western nations finished and manufactured goods and textile factories industries.

In other words, it shows that the incumbent has introduced into the public agenda certain policy which has not a direct associate with the poverty program. From that, he receives individual private benefits offering by those policy, with the goal of accumulating wealth and being grown rich. Most polices are concerned with aid, assistance and load for the recipients. These development foreign aid are given by rich western nations and other, such as the OECD nations, the World Bank, IMF and china and aim to hit poverty. But, it remarks that most of aid allocation is not clearly associated with socioeconomic needs programs or policy agenda of recipients countries<sup>49</sup> (See: Maizels and Nissanke, (1984); Alesina and Dollar, (2000) and Schraeder et al., (1998)). Political consider every aid as the opportunity cost and do his best he can in to implement the aid. Moreover, aid, assistance and load may also concern with a financial openness and integration for recipient. Also, some preview empirical shows that policy which has a direct link with a financial integration and openness is inefficient for recipient. But, works by Demirguç-Kunt and Enrica, (2001); Kaminsk and Sergio, (2003); Rajan and Luigi, (1998) and Hey and Wizarat, (2013) contrast the preview one and argue that those aid which are concerned with a financial openness and integration decline poverty trend and expose country to vulnerability and crisis.

Table 3: Short Run Coefficients

Regression	Dependent variable $GPD_t$		
	Coefficients	St.Deve	P-value
$\Delta(C)_t$	-0.117362	0.0183393	0
$\Delta(\ln S)_t$	0.8060768	0.0558183	0
$\Delta(\ln K)_t$	$5.16E + 08$	.	.
$ECM_t$	1.26979	0.3829755	0.08
Constant	3.570107	4.482966	0.509
R-Squared	0.9584		
R-Bar-Squared	0.8129		
P-value	0.1381		
DW-statistic	0.66364		

Source: Autor's calculation in Stata

Table-3 illustrate a short run equilibrium, where gross domestic savings (% of GDP) and domestic credit to private sector (% of GDP) display positive coefficients on gdp per capita growth (annual %t). But, only gross domestic savings (% of GDP) has a statistically significant impact on gdp per capita growth (annual %). According to the empirical results, household final consumption expenditure per capita growth (annual %) has a negative and statistically significant impact on gdp per capita growth (annual %) in the short run equilibrium. Based on the results, gross domestic savings (% of GDP) appears as a key determinant that boosting gdp per capita growth (annual %) in short run. The error correction model displays positive coefficient and has a statistically significant experience. In facts, gross domestic savings is most connected to gdp per capita growth and this may be viewed through specific angle mark. Let us assume that we are in the first term and the incumbent has reelection incentives. Following this, he would set action which is too close to population preferences and has a direct link with poverty reduction program. To do so, the incumbent should set policy which improve the life expectancy and experience of welfare for the voters. Follows this, the majority of the voters choose the decision to renew the incumbent or to elect new challenger that randomly will draw for a pool of potential candidate for a new term. As final decision, the voters renew the incumbent for a new term, with hopping that the future would be best. This may be shown through utilizing the non-consuming income for saving.

## 6 Conclusion

Through this paper, we examine how can reelection incentives influence the serving political in the term limit. The analysis will stand on two periods: the first and second term, and we set two models, which respectively are: a simple

<sup>49</sup>For a comprehensive presentation of similar results, see work by Kuziemko and Werker, (2006), who highlight that the number of study that shows the multilateral aid influence on strategic interests of main financial contributors is very limited. And also, work by Brutigam, D. (2000), who argue that long term dependence on aid may retard countries economic growth and development...

model from which the incumbent politician has the reelection incentives during the first term and the review model from which the incumbent politician faces a term limit with the incentive of winning the next election. Following this, it argues that during the first and the second round term the incumbent politician has not the same strategy actions of policy. It also argues that the decision set by the majority of the voters differ from the incumbent politician term and their current life expectancy and experience of welfare. The empirical approach uses Dreher et al (2016, 2017) model and World Bank data on Benin (2006 to 2016).

As result, it shows that during the first term, the incumbent politician was animated by the reelection incentives. Through this, he draws a policy which has a direct link with the poverty reduction program. He sets this policy in order to improve the life expectancy and experience of welfare for the majority of the voters, with the goal of being reelected for a new second term. It follows that, the incumbent politician does his best to be close his strategy actions of policy from the majority of the voters preferences. He prevents comment from the opponent by focusing on the efficient strategy actions of policy. Following this, the majority of the voters may make their evaluation by comparing their current and past life expectancy and experience of welfare during the term of the incumbent politician. For that, the majority of the voters may decide whether or not to reelect the incumbent politician. If the majority of the voters discontent the incumbent policy, that may lead them to elect new challenger that will draw randomly from the pool of the potential candidate.

During the second round term, the incumbent politician faces two big challenges: the final second term and the opportunity cost challenge. Following this, the incumbent politician has to make a choice during a term, whether or not he has reelection incentives. First, the incumbent politician may use his first strategy model for the first term, from which he won election for the new second term. This strategy entails that the incumbent politician focus on the policy which has a direct link with the poverty reduction agenda with a goal of being reelected. Second, the incumbent politician may assign for the goal of being grown rich by accumulating a welfare and illegal resources through population back in order to corrupt the institutions and the majority of the voters with the goal of being reelected or of winning election for a new term for his party.

Accordingly, the former empirical results reveal that during the incumbent politician term, gross domestic saving is more connected with gdp per capita and has a statistically significant positive impact on gdp per capita. This means that during the first round term of the president Boni Yayi, the majority of the voters gain a positive impact on the life expectancy and experience of the welfare. This implies that in the short run equilibrium, the majority of the voters gains enough income and uses the non-consuming part for the investment. As example by using Benin World Bank data, it shows that during the first round term the president Boni Yayi sets policy which has improved the life expectancy and experience of welfare for the majority of the voters with the goal of being reelected for a new second term. This policy has poorly out the majority of the voters for an absolute poverty. In additional, this may mean that reelection incentives pushes the incumbent politician using policy which has a direct link with the poverty reduction agenda.

At the long run equilibrium, regardless of the incumbent politician preference for the future and the opportunity cost challenge he may face during a term, the incumbent politician may decide to review his strategy actions of policy. Through this, during a second term, he may assign for the goal of being grown rich though accumulating wealth and resources country. Following this, the incumbent politician may decide to draw policy which has not a direct link with the poverty reduction program. Former empirical long run result confirms slightly the theoretical results where the incumbent politician faces a final second term. It reveals that when the incumbent politician faces a term limit, he has a high motivation to use corruption with the goal of being reelected or of winning the election for the new term.

Through this, we find that the corruption form is the most tool that incumbent politician refers in order to win the election for a new term.

## 7 References

- Adsera, Alicia, Carles Boix, and Mark Payne. 2003. Are You Being Served? Political Accountability and Quality of Government. *Journal of Law, Economics, and Organization*, 19(2): 445-90.
- Agenor, Pierre-Richard and Blanca Moreno-Dodson. 2006. Public Infrastructure and Growth: New Channels and Policy Implications. Policy Research Working Paper 4064. Washington DC: The World Bank. 681712.
- Aidt, Toke S., 2009. Corruption, institutions, and economic development. *Oxford Review of Economic Policy* 25 (2): 271-291.
- Angeles, L. and K. C. Neanidis. 2009. Aid effectiveness: The role of the local elite. *Journal of Development Economics* 90(1): 120-134.
- Alt, James, Ethan Bueno de Mesquita, and Shanna Rose. 2009. Accountability and Competence in Elections: Theory and Evidence from US Term Limits. Unpublished.
- Asongu S. and Nwachukwu. J.C. 2015. Foreign Aid and Inclusive Development: Updated Evidence from Africa, 2005-2012. AGDI Working paper, No. WP/15/062.
- Axel Dreher, et al. (2017). Aid, China, and Growth: Evidence from a New Global Development Finance Dataset. Paper for presentation at the Workshop Tracking International Aid and Investment from Developing and Emerging Economies, Heidelberg University, September 22-23, 2017. Version: 15 September 2017.
- Bandiera, Oriana, Andrea Prat, and Tommaso Valletti. 2009. Active and Passive Waste in Government Spending: Evidence from a Policy Experiment. *American Economic Review*, 99(4): 1278-308.
- Banks, Jeffrey S., and Rangarajan K. Sundaram. 1993. Adverse Selection and Moral Hazard in a Repeated Elections Model. in *political Economy: institutions, competition, and Representation: proceedings of the Seventh international Symposium in Economic Theory and Econometrics*, ed. William A. Barnett, Melvin J. Hinich, and Norman J. Schofield, 295-311. New York: Cambridge University Press.
- Barro, Robert J. 1973. The Control of Politicians: An Economic Model. *public choice*, 14: 194-212.
- Bertrand, Marianne, Simeon Djankov, Rema Hanna, and Sendhil Mullainathan. 2007. Obtaining a Drivers License in India: An Experimental Approach to Studying Corruption. *Quarterly Journal of Economics*, 122(4): 1639-76.
- Besley, Timothy, and Anne Case. 1995. Does Electoral Accountability Affect Economic Policy Choices? Evidence from Gubernatorial Term Limits. *Quarterly Journal of Economics*, 110(3): 769-98.
- Blair, Rob, and Philip Roessler. 2016. China and the African State: Evidence from Surveys, Survey Experiments and Behavioral Games in Liberia. USAID Research and Innovation Grants Working Papers Series. Washington DC: USAID.
- Brant, Philippa. 2015. The Geopolitics of Chinese Aid: Mapping Beijings Funding in the Pacific.
- Brautigam, D.A. and S. Knack. 2004. Foreign Aid, Institutions, and Governance in Sub-Saharan Africa. *"Economic Development and Cultural Change"*, Vol.13, p.255-285.
- Brazys, Samuel, Johan A. Elklint, and Gina Kelly. 2017. Bad neighbors? How co-located Chinese and World Bank development projects impact local corruption in Tanzania. *The Review of International Organizations* 12 (2): 227-253.
- Brech, Viktor and Niklas Potrafke. 2014. Donor Ideology and Types of Foreign Aid, *Journal of Comparative Economics* 42 (1): 61-75.
- Buchanan, James M., and Roger D. Congleton. 1994. The Incumbency Dilemma and Rent Extraction by Legislators. *public choice*, 79(1-2): 47-60.
- Caldern, C., and L. Servn. 2010a. Infrastructure and economic development in Sub-Saharan Africa. *Journal of African Economies* 19(S1): 13-87.
- Caldern, C., and L. Servn. 2010b. Infrastructure in Latin America, in J. Ocampo and J. Ros (eds.), *The Oxford Handbook of Latin American Economies*.
- Campante, Filipe R., Davin Chor, and Quoc-Anh Do. 2009. Instability and the Incentives for Corruption. *Economics and politics*, 21(1): 429-2.
- Campbell, Ivan, Thomas Wheeler, Larry Attree, Dell Marie Butler, and Bernardo Mariani. 2012. China and Conflict-affected States: Between Principle and Pragmatism. London, UK: Saferworld.
- Christian, Paul and Christopher B. Barrett. 2017. Revisiting the Effect of Food Aid on Conflict: A Methodological Caution. Policy Research Working Paper; No. 8171. World Bank, Washington, DC. World Bank.  
<https://openknowledge.worldbank.org/handle/10986/27978> License: CC BY 3.0 IGO.
- Claudio Ferraz and Frederico Finan. (2011). Electoral Accountability and Corruption: Evidence from the Audits of Local Governments. *American Economic Review* 101(June 2011): 1274-1311.
- Dick, Andrew R., and John R. Lott, Jr. 1993. Reconciling Voters Behavior with Legislative Term Limits. *Journal of public Economics*, 50(1): 114.

- Diermeier, Daniel, Michael Keane, and Antonio Merlo. 2005. A Political Economy Model of Congressional Careers. *American Economic Review*, 95(1): 34773.
- Diermeier, Daniel, Michael Keane, and Antonio Merlo. 2005. A Political Economy Model of Congressional Careers. *American Economic Review*, 95(1): 34773.
- Deininger, K. and Okidi, J. 2003. Growth and Poverty Reduction in Uganda, 1992-2000: Panel Data Evidence. *Development Policy Review* 21 (4): 481-509.
- Denizer, Cevdet, Daniel Kaufmann and Aart Kraay. 2013. Good Countries or Good Projects? Macro and Micro Correlates of World Bank Project Outcomes. *Journal of Development Economics* 105: 288-302.
- Dllar, David. 2008. Supply Meets Demand: Chinese Infrastructure Finance in Africa. World Bank blog. 10 July 2008. Accessed at <http://blogs.worldbank.org/eastasiapacific/supply-meets-demand-chinese-infrastructure-finance-in-africa>
- Dreher, Axel, Andreas Fuchs, Bradley C. Parks, Austin Strange, Michael J. Tierney, forthcoming, a, Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Finance from China to Africa, *International Studies Quarterly*.
- Dreher, Axel, Andreas Fuchs, Roland Hodler, Bradley C. Parks, Paul A. Raschky, Michael J. Tierney, 2016, Aid on Demand: African Leaders and the Geography of Chinas Foreign Assistance, AidData Working Paper 3 Revised. Williamsburg, VA: AidData.
- Duggan, Mark, and Steven D. Levitt. 2002. Winning Isn't Everything: Corruption in Sumo Wrestling. *American Economic Review*, 92(5): 1594-605.
- Fan, S., ed. 2008. Public expenditures, growth, and poverty: Lessons from developing countries. Baltimore, Md.: Johns Hopkins University Press.
- Fan, S., L. Zhang, and X. Zhang. 2002. Growth, inequality, and poverty in rural China: The role of public investment. Beijing: China Agricultural Publishing House..
- Ferraz, Claudio, and Frederico Finan. 2011. Electoral Accountability and Corruption: Evidence from the Audits of Local Governments: Dataset. *American Economic Review*.
- Ferraz, Claudio, and Frederico Finan. 2011. Electoral Accountability and Corruption: Evidence from the Audits of Local Governments: Dataset. *American Economic Review*.
- Ferejohn, John. 1986. Incumbent Performance and Electoral Control. *public choice*, 50(1-3): 525. Ferraz, Claudio, and Frederico Finan. 2008. Exposing Corrupt Politicians: The Effects of Brazils Publicly Released Audits on Electoral Outcomes. *Quarterly Journal of Economics*, 123(2): 703-45.
- Ferejohn, John. 1986. Incumbent Performance and Electoral Control. *public choice*, 50(1-3): 525.
- Ferraz, Claudio, and Frederico Finan. 2008. Exposing Corrupt Politicians: The Effects of Brazils Publicly Released Audits on Electoral Outcomes. *Quarterly Journal of Economics*, 123(2): 703-45.
- Ferreira, Fernando, and Joseph Gyourko. 2009. Do Political Parties Matter? Evidence from US Cities. *Quarterly Journal of Economics*, 124(1): 399-422.
- Foreign Affairs. 4 March 2015. Brutigam, Deborah. 2011. Testimony on Chinas Growing Role in Africa before the United States Senate Committee on Foreign Relations Subcommittee on African Affairs. November 1, 2011. Accessed at <https://www.foreign.senate.gov/imo/media/doc/DeborahBrutigamTestimony.pdf>
- Glaeser, Edward L., and Raven E. Saks. 2006. Corruption in America. *Journal of public Economics*, 90(6-7): 1053-72. <https://www.globalpolicy.org>
- Headey, Derek, 2008, Geopolitics and the effect of foreign aid on economic growth: 1970-2001. *Journal of International Development* 20: 161-180.
- Hassen A. Wako. 2017. Aid, Institutions and Economic Growth in Sub-Saharan Africa: Heterogeneous donors and Heterogeneous responses. UNU-MERIT and Maastricht University.
- Isaksson, Ann-Sofie, and Andreas Kotsadam. 2016. Chinese Aid and Local Corruption. AidData Working Paper #33. Williamsburg, VA: AidData..
- Iyoha, M. A. 1999. External debt and economic growth in sub-Saharan African countries: An econometric study. African Economic Research Consortium Research Paper.
- Jalan, J., and M. Ravallion. 2002. Geographic poverty traps? A micro model of consumption growth in rural China. *Journal of Applied Econometrics* 17: 329-346..
- Khandker, Shahidur R., Douglas F. Barnes, and Hussain A. Samad. 2013. Welfare Impacts of Rural Electrification: A Panel Data Analysis from Vietnam. *Economic Development and Cultural Change* 61 (3): 659-692..
- Kilama, Eric. 2016. Evidences on Donors Competition in Africa: Traditional Donors versus China? *Journal of International Development* 28 (4): 528-551. Kitano, Naohiro. 2016. Estimating Chinas Foreign Aid II: 2014 Update.

JICA-RI Working Paper #131..

- Kunicov, Jana, and Susan Rose-Ackerman. 2005. Electoral Rules and Constitutional Structures as Constraints on Corruption. *British Journal of political Science*, 35(4).
- Lederman, Daniel, Norman V. Loayza, and Rodrigo R. Soares. 2005. Accountability and Corruption: Political Institutions Matter. *Economics and politics*, 17(1): 135.
- Lee, David S. 2008. Randomized Experiments from Non-Random Selection in US House Elections. *Journal of Econometrics*, 142(2): 67597.
- Lee, David S., Enrico Moretti, and Matthew J. Butler. 2004. Do Voters Affect or Elect Policies? Evidence from the US House. *Quarterly Journal of Economics*, 119(3): 80759.
- Linden, Leigh L. 2004. Are Incumbents Always Advantaged? The Preference for Non-Incumbents in India. Unpublished.
- Lin, Justin Yifu and Yan Wang. 2014. China-Africa co-operation in structural transformation: ideas, opportunities, and finances. UNU-WIDER Working Paper 2014/046. Helsinki: United Nations University..
- List, John A., and Daniel M. Sturm. 2006. How Elections Matter: Theory and Evidence from Environmental Policy. *Quarterly Journal of Economics*, 121(4): 124981.
- Myerson, Roger B. 1993. Effectiveness of Electoral Systems for Reducing Government Corruption: A Game-Theoretic Analysis. *Games and Economic Behavior*, 5(1): 11832.
- Mauro, paolo. 1995. Corruption and Growth. *Quarterly Journal of Economics*, 110(3):
- Olken, Benjamin A. 2007. Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of political Economy*, 115(2): 20049.
- Parks, Bradley C. and Caroline Davis. 2017. When Do Governments Trade Domestic Reforms for External Rewards? Explaining Policy Responses to the Millennium Challenge Corporations Eligibility Standards. Working Paper.
- Pehnelt, Gernot. 2007. The Political Economy of Chinas Aid Policy in Africa. Jena Economic Research Papers # 051. Jena, Germany: University of Jena.
- Qazi Muhammad Adnan Hye. (2013). Impact of financial liberalization on economic growth: cas study of Pakistan. *Asia economic and financial review*, 3(2): 270-282.
- Sofia Anwar, Fauzia Shaukat and Zakir Hussain. (2010). Effect of agricultural and financial sector reforms on export of cotton lint from Pakistan. International conference on Applied Economics. ICOAE.2010.
- Smart, Michael, and Daniel M. Sturm. 2006. Term Limits and Electoral Accountability: Centre for Economic Performance, LSE, CEP Discussion Papers, 2006.
- Thomas Fujiwara and Leonard Wantchekon. (2013). Can Informed Public Deliberation Overcome Clientelism? Experimental Evidence from Benin. *American Economic Journal: Applied Economics* 2013, 5(4): 241-255.
- The Economist. 2009. An (Iron) Fistful of Help: Development Aid from Authoritarian Regimes. 6 June 2009. The Economist. 2015. A brightening continent. January 17th 2015.
- Treisman, Daniel. 2000. The Causes of Corruption: A Cross-National Study. *Journal of public Economics*, 76(3): 399457.